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Trade Policies After Victory—

"It Will Be Necessary to Expand World Trade as a Whole"

Statement of LAUCHLIN CURRIE, *Deputy Administrator, Foreign Economic Administration, Before the Subcommittee on Foreign Trade and Shipping of the Committee of the House of Representatives on Post-War Planning*

UNLESS THE DOMESTIC ECONOMY of the United States can be kept in reasonably full operation in the post-war years, it will not be possible to effectuate the foreign economic policies that are needed. A constructive foreign economic policy will, however, assist in the solution of our domestic problems. Our domestic and our foreign economic policies are *interrelated*, each affecting the other, and they can be made fully effective only if they are considered as complementary. We must look forward and bend all our energies toward the achievement of full employment and production at home and a high level of international trade abroad. * * *

"Export More Than Before"

Our policies for the post-war world must be considered and formulated in the light of the facts concerning our wartime economy. I should like to summarize these facts before discussing possible American policy.

1. The United States will be the greatest industrial power and almost the only important industrial nation which has suffered no physical war damage to its industrial or agricultural equipment, and no undermining of the health of its people.

2. The United States has enormously increased its manufacturing plants and equipment during the war. Our gross national production has been far higher than it has ever been in the history of the country, and, despite war demands, our civilian population has consumed more goods and services than ever before. Present figures indicate that we are turning out about $196,000,000,000 of goods and services a year, which is about double our highest production in any year up to 1939 (which was $99,400,000,000 in 1929). These figures, however, are not corrected for price changes.

This tremendous output was achieved although some 11,000,000 young men and women had been taken out of productive work. These in general include our most vigorous and efficient workers. If we fall greatly short of this wartime achievement, we shall be faced with considerable unemployment. It is apparent that this country will be under tremendous pressure, and properly so, to find ways of achieving full employment.

EDITOR'S NOTE

FOREIGN COMMERCE WEEKLY is convinced that its readers have at this time the keenest interest in broad, basic appraisals of the major factors and forces in future international trade, together with the outlining of policies that appear to be best calculated to insure success in this vital field. Two weeks ago we presented the views of Ambassador George S. Messersmith. Herewith we take pleasure in reproducing the opinions that were recently succinctly and cogently expressed by the Deputy Administrator of the FEA.

One of the ways would be *to export far more than ever before.*

"Greatly Expanded Markets"

3. Reasonably full use of these national resources will require both thought and leadership. The curtailment of the war program will call for a drastic change in the nature of production. At the same time exports through Lend-Lease will be curtailed. These Lend-Lease exports are now running at the rate of $11,500,000,000 a year. The loss of this business will be serious for both industry and agriculture. These Lend-Lease exports alone represent nearly four times our average total exports in pre-war years and nearly 6 percent of our present national output of goods and services.

4. The reconversion necessitated by the drying up of the war and Lend-Lease orders for goods will be partially assisted by the accumulation of purchasing power available to make up arrears of maintenance in industry, agriculture, and in the home. But to take the place of Government spending for the war it would have to amount to about $90,000,000,000 a year. To maintain present employment we shall need greatly expanded markets both at home and abroad, and we need the markets more particularly to supply jobs for the men and women returning from the armed forces.

"We Must Raise Our Sights"

5. During the war, and excluding all Lend-Lease exports, we are exporting at the rate of $2,800,000,000 of goods and services a year. During the decade from 1929 to 1939 our exports ranged between $2,100,000,000 and $4,000,000,000, which was about 4 or 5 percent of our gross national production. Just as we must raise our sights for total production in post-war years and our standard of living, we must also raise them for exports. I should like to point out that, merely to fill the gap left by Lend-Lease exports, our present exports must be raised from $2,800,000,000 to $14,300,000,000 (present Lend-Lease exports being at the rate of $11,500,000,000 a year).

Exports at this rate would have a very far-reaching effect on the domestic economy. Money paid for goods for exports helps to maintain employment in the plants of the manufacturers producing those goods. But the effects flow back to the mines, farms, transport, banking, insurance, and other parts of our industrial and economic systems. Manufacturers buy materials, equipment, and services from others. The workers employed in turning out the export goods spend their earnings on the things they need and desire. The manufacturers, farmers, and workers producing these things also increase their expenditures, so that the stimulating effects spread all through the economy.

The effect on profits and employment, therefore, extends far beyond the lines of goods exported. In many lines, moreover, larger volume means lower costs and the opportunity for lower prices in this country. Since exports offset any tendency to general shrinkage in our operations, their value greatly exceeds any measurement based on the volume of exports.

Damage—and Vast Needs

6. Fourteen billion dollars would admittedly be a high level of exports compared with the past. But we shall need to export much more than before the war, and foreign countries will need much more from us. The need for American goods abroad will far exceed the need at any previous time. A great many countries, always less richly endowed than the United States, have been more or less seriously damaged. Their plants, the houses of their people, their railroads and bridges will have been bombed or dynamited. Their people will have been weakened by malnutrition or by the pressure to apply the utmost of their powers to resisting the enemy by long hours of production, by home defense and fire fighting, by underground resistance, and in many other ways.

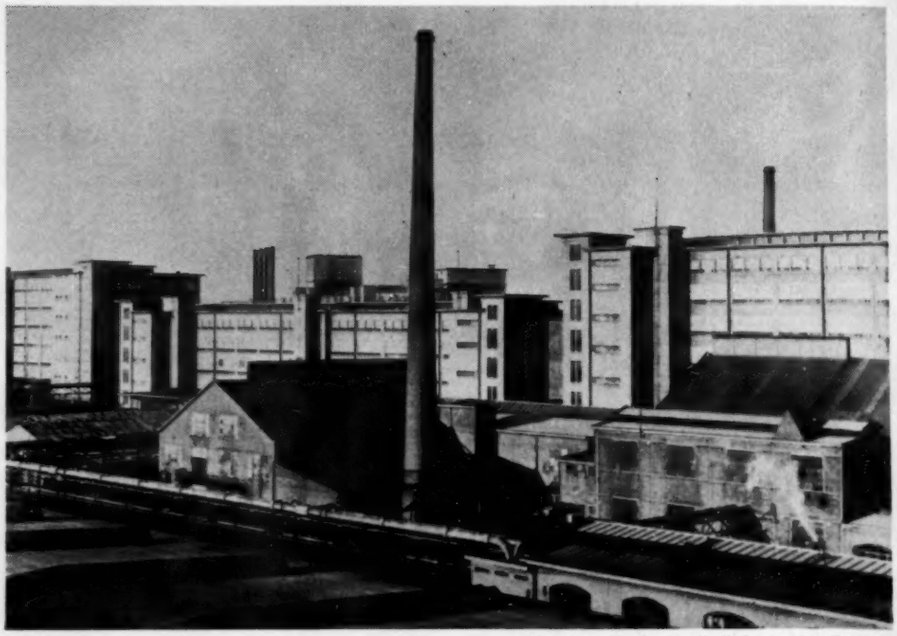
Thus many of our potential customers will be impoverished. For a time, relief from the outside will be necessary to prevent starvation, but relief must be nothing more than a temporary measure. Nevertheless, these countries can begin to support and help themselves only after their damaged economies have been repaired. Many of them, therefore, will be desperately anxious to obtain supplies from abroad.

These people will turn to the United States for road-building machinery, trucks, railroad equipment, utility equipment, industrial machinery, and much more. Our armies have carried American products and American methods across the world and have, as a part of the military program, staged an impressive demonstration of these products and methods. Wartime training in the United States of foreign technicians under the Lend-Lease program has also acquainted foreign countries with our equipment. The way has, therefore, been prepared for increased exports.

Potential Large-Scale Buyers

There will also be many countries whose standard of living is low partly because of their lack of capital. Their transportation, industry, and agriculture are relatively primitive. But the war has increased the determination of these people to improve their means of production and their standard of living. They also need agricultural machinery, transportation equipment, and machinery for the simpler industries. American technical aid will also be required. These countries are potential customers on a very large scale for a very wide variety of consumers' goods as well as equipment. But their needs can become effective in the markets of the United States only after their standard of living has been raised above present, often very low, levels.

7. One of the factors that will affect our exports of new goods will be the disposal of surplus goods abroad. As in the domestic market, competition with new production from this source will depend upon the extent to which surplus goods can be disposed of in places and for purposes that would otherwise not be markets for new goods.



Courtesy Netherlands Information Bureau

"Many foreign countries can begin to support and help themselves only after their damaged economies have been repaired." Example: restoration will be necessary on the factory buildings shown above *in their pre-1939 state*—part of the great Philips Works at Eindhoven in Holland, which have suffered greatly from bombing.

Questions of Competition

8. As the greatest industrial nation, this country is especially interested in the export of manufactured goods. Before the war, Germany was a very serious competitor in this field and Japan was increasing rapidly in importance. German exports, when the Nazis came to power, were about $1,600,000,000 per year and increased in 1938 to $2,200,000,000 a year. Japanese exports in 1938 were $800,000,000. Both these countries will be seriously crippled as exporting nations.

Great Britain has always been an important exporting country. In 1938 it exported products of United Kingdom origin to the value of $2,300,000,000. To finance its grim fight against the Axis powers before the United States entered the war, Great Britain disposed of very considerable foreign investments. During the war it has lost much of its shipping. If Britain is to live even on its pre-war standard after war damage has been repaired, and take a large share of the responsibility for maintaining peace, it must export more goods than before in order to pay for the same amount of imports. Recent discussions in England indicate that the British are fully conscious of the necessity for a vigorous policy to secure export markets. The British Government is preparing to stimulate and assist its manufacturers and exporters, and for some years it has provided insurance against credit losses in foreign trade.

Canada has been increasing in importance as an exporter. In 1937 its exports exceeded $1,000,000,000. During the war there has been very considerable industrial development in Canada, and the Dominion is looking toward increased exports after the war. The Dominion Parliament has recently established the Canadian Export Credit Insurance Corporation to insure exporters against certain losses on exports up to a total of $50,000,000. In addition, the Corporation is authorized to provide, during the transition from war to peace, loans and guarantees to foreign governments for the purpose of facilitating and developing trade. This Government financial aid is at present limited to $300,000,000 outstanding at any one time.

The fact that these countries and others are seeking export markets need not result in economic warfare between them or between us and them. But serious shrinkage in German and Japanese exports will not alone make room for all the exports that the exporting nations will wish to make. It will also be necessary to expand world trade as a whole. Only in this way can the danger of nationalistic controls of foreign trade, such as developed during the thirties, be avoided; only in this way can American exports be raised to levels that will aid in maintaining employment in this country without resulting in unemployment elsewhere.

Sound Policies as Bases

I should now like to turn from some of the salient facts in the post-war trade world to the Government policies which I believe will provide a sound basis for our foreign trade.

Adequate Peace Organization

The first requirement for healthy international trade is, of course, military security. Efforts to achieve national self-sufficiency are hardly conducive to the expansion of international trade.

We have made a start in dealing with this problem at the Dumbarton Oaks discussions.

Full Employment

The second requirement is the fullest possible employment and production in the United States and in the other peace-loving nations. The prosperity and economic well-being of the United States is fundamental to the economic well-being and peace of the world. If we were to approach the present rate of production it would mean that we would buy much more abroad and thus be able to sell more abroad.

Stable, Fair Exchange Rates

The next requirement is stable exchange rates. Wide fluctuations in exchange rates increase the financial risks of foreign trade, militate against foreign investment, and invite currency wars. We have begun to deal with these problems at the Bretton Woods Conference.

The establishment of an adequate foreign trade may also call for action to ensure that the foreign-exchange rates established after the war do not place our exporters at a competitive disadvantage. If foreign countries place an excessively low value on their money in terms of the money of other countries, their exports are stimulated and their imports discouraged. In this country the Administration no longer has power to reduce the foreign-exchange value of the dollar by reducing its gold content. We must urge, therefore, that other countries do not undervalue their money. Our initial share of post-war foreign trade may be greatly affected by these foreign-exchange rates. The Treasury is fully alive to the significance of the problem.

Freeing Blocked Currencies

During the war many currencies have been "blocked." The balances to the credit of foreign countries can be spent in the country holding the balances only under severe restrictions. When those restrictions are removed the holders of the balances will want to spend them. The exports of the countries holding the balances will be stimulated while exporting by other countries will have tougher sledding. This blocking of currencies has unfortunately been a war-time necessity, and it may take some time to release the balances that have been accumulating. But countries should be free to spend the current money proceeds of their exports in any market they may choose. To this end we should use our national influence and assistance if necessary to put an end to this blocking of balances as soon as it ceases to be needed to aid in prosecuting the war. The adoption of the recommendations of Bretton Woods would be most helpful in this connection.

Removing Import, Export Controls

It is to be hoped that the whole complex of import and export controls will not long survive the war. Most of these controls were established to prepare for the war or to mobilize the resources of various countries during the war.

In the immediate period before the war, however, Germany, by a series of clever devices in foreign trade, used its great industrial power as a means of dominating many other countries. It declared economic war years before it declared physical war. It made economic warfare an integral part of its policy of world conquest. Exchange controls and barter deals preempted many markets for Germany. These methods must be eliminated as quickly and as thoroughly as possible.

As for our own wartime controls, the program of the Foreign Economic Administration for the removal of such controls as it administers has already been indicated.

Lowering Tariff Barriers

It will not be sufficient, however, to get rid of controls that we associate directly with the war. In this and other countries excessive import duties have for long imposed undue obstacles to the development of world trade. If we wish to be an exporting country, and to be paid for our exports and have the interest and principal on our loans paid, we must also be an importing country. Bilateral and multilateral action to adjust tariffs and other trade restrictions is necessary to a high level of international trade. But the absorption of additional imports will be possible only if over a period of time we succeed in achieving a high production and consumption economy with employment opportunities for all.

The lowering of trade barriers will soon be a matter of prime interest. Article 7 of the Master Lend-Lease Agreement between the United States and the United Kingdom of February 23, 1942, states that: "In the final determination of the benefits to be provided to the United States of America by the Government of the United Kingdom in return for aid furnished under the Act of Congress of March 11, 1941, the terms and conditions thereof shall be such as not to burden commerce between the two countries, but to promote mutually advantageous economic relations between them and the betterment of world-wide economic relations. To that end, they shall include provision for agreed action by the United States of America and the United Kingdom, open to participation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs, and other trade barriers; and, in general to the attainment of all the economic objectives set forth in the Joint Declaration made on August 12, 1941, by the President of the United States of America and the Prime Minister of the

(Continued on p. 37)

O. W. I. photo

"The United States has enormously increased its manufacturing plants and equipment during the war."

Sterling Balances and Britain's External Debt

A Review and Analysis of the United Kingdom's Changing Creditor Position

PART I

By DONALD F. HEATHERINGTON, *British Empire Unit, Bureau of Foreign and Domestic Commerce*

PERIODICALLY during the past 2 or 3 years there have been widespread expressions of keen interest and concern, both in this country and abroad, relative to the fundamental changes that have been taking place in Britain's external financial position, particularly with respect to the size and composition of British oversea investments and the continual rise of the sterling balances.

Of late this interest has spread through the business and banking communities in the United States, and the implications of these changes have been the subject of serious debate. The International Monetary Conference which met recently at Bretton Woods, New Hampshire, was confronted with the sterling-balance question, and in reaching a decision to bypass the issue of liquidating the balances the Conference left the entire matter in an unsettled state, open for further public discussion. To appreciate fully the vital role these changes will play in the future position of the United Kingdom vis-a-vis the rest of the world, a reexamination of some of the factors which have brought them about and an appraisal of their implications is required.

The Problems of War Finance

It was clearly foreseen even before the actual outbreak of the war that, should such an event take place, Britain would be confronted with the twin problems of securing funds with which to finance war activities at home and of securing the necessary foreign exchange with which to purchase tremendous quantities of war materials abroad. The first was strictly a domestic matter and does not concern us here; the second, however, was a matter of grave concern in view of the United Kingdom's international financial position.

Although in August 1939 Britain's international financial resources were apparently enormous, they were geographically widely distributed, of uncertain value in some instances, and unavailable for immediate use in other instances. It was obvious that the war finance chest was not nearly so well filled, qualitatively if not quantitatively, as it had been in 1913–14. A conservative estimate placed the total value of Britain's oversea investments at £3,900,000,000, with gold holdings and dollar balances bringing total assets to upward of £4,500,000,000, but these totals included not only market securities but various miscellaneous investments in such forms as real estate or private companies.

Furthermore, most estimates of British oversea investments were based on nominal values, although actually many of these holdings were worth substantially less and others would be disposable at forced sale at a fraction of their ordinary value.

Inasmuch as it was confidently expected that the United States would serve as the principal neutral source of supply for the United Kingdom and its Allies, the size of the dollar pool was the most important immediate financial consideration. Thus, on August 31, 1939, it was estimated that gold and dollar resources totaled $4,483,000,000, of which only a part could be considered as actually available for disposal. It was pointed out that some $900,000,000 worth of direct and miscellaneous investments could not be liquidated without serious loss since no ready market existed for many of the assets represented, and that part of the gold and dollar balances were essential for the transaction of current business and must be held from falling below a minimum level. When these items were subtracted, the dollar resources available amounted to only $3,227,000,000, and this sum was then considered as representing the most optimistic expectations for realization values. Although the sum was substantial, it obviously could not last for long if war expenditures abroad continued at a high level.

Apart from these items and some Canadian dollar assets, most of Britain's holdings were either in the form of sterling securities which did not possess a ready market in the United States or were in nonmarketable titles. Prospects for liquidating Latin American holdings were not good; most of the European assets as well as those in the Far East could not be counted on as available; the remaining investment assets were in Empire countries, and Britain's ability to dispose of them was almost wholly dependent upon the funds possessed by these countries. In some instances the local markets were far too small to absorb any appreciable amount of sterling assets. In short, the initiative lay with these countries and not with the United Kingdom. The end conclusion was that close attention would have to be paid to the problem of exchange conservation.

British Exchange Control

The actual outbreak of hostilities brought matters to a head. The need for the complete mobilization of all financial resources and the imposition of controls was clearly recognized. Two major objectives were immediately established: (1) formation of a pool of purchasing power for use overseas; and (2) protection of this pool from any unauthorized leakage of existing or subsequent accumulations of foreign funds. Orders were issued requiring the immediate surrender of gold and foreign-exchange holdings by residents of the United Kingdom, and the prompt registration of securities expressed in terms of particular foreign currencies, especially the "hard" currencies and those of neutral countries, in order to make them available for future vesting operations.

EDITOR'S NOTE

This article is the first in a series of three which will appear in successive issues of FOREIGN COMMERCE WEEKLY. Part I, presented here, deals with the development of British oversea capital liquidation and the repatriation of sterling debt by various countries. Part II will be concerned with the sterling balances and other external claims against the United Kingdom, while Part III will be devoted to an examination of some of the implications in Britain's changed creditor position.

It was not enough to establish the pool and provide for its replenishment. Measures to regulate the demands made on the pool were necessary to insure that foreign exchange would not be used in a fashion inimical to the national welfare. Therefore, all transactions involving a demand for foreign exchange were placed under governmental supervision, and the export of capital was prohibited. Opinion was divided, however, as to whether foreign holders of sterling should be made subject to the same restrictions—one group maintaining that freedom for the movement of foreign funds would cause capital to move toward or remain in London, thereby aiding London in the preservation of its position as a great free banking center; the opposing group arguing that foreign funds should be blocked immediately in order to prevent excessive demands for gold and exchange at inconvenient times.

For about 10 months no real check was placed on foreign transfers of sterling, except the general refusal of the British authorities to allow official exchange to be used for the withdrawal of such funds. Both individuals and companies, however, were so desirous of removing their funds before further restrictions were imposed that an unofficial market with its own rate was soon established and tacitly permitted by the authorities. According to official British estimates, such capital withdrawals amounted to some $300,000,000, with a consequent drain on the dollar pool.

Capital losses might have been greater but for the fact that Britain was able to negotiate a series of agreements with a number of neutral countries, including Argentina, Denmark, Norway, Sweden, and others, providing for the virtual blocking of sterling surpluses arising out of current transactions between the United Kingdom and these countries. Although the general intent was to restrict as much as possible the freedom of disposal of sterling accruing to the countries involved, it should be emphasized that the agreements were made on a voluntary basis and the action taken was bilateral rather than unilateral in character. Undoubtedly many of these countries would have preferred payment in free exchange, but since this was not feasible under the circumstances there were only two alternatives, either to refuse to sell to Britain or to take payment in sterling which could be utilized under restrictions. In other words, sterling was accepted by these countries of their own free will because they deemed it worth their while to do so at the time.[1]

An even closer tie was forged between the United Kingdom and a group of countries which were already members of the sterling bloc and as such were in the habit of holding sterling on balance in London either as currency reserves or for the purpose of facilitating trade. The nucleus of the sterling area was the Empire, excluding Canada and Newfoundland because of the close connection between the Canadian dollar and the United States dollar as well as the close banking connections between Canada and New York; but, with the exception of those parts of the Empire directly under the control of the United Kingdom Government, the adherence was a voluntary one, achieved through the synchronization of exchange control measures.[2]

Although the members of the area operated autonomous exchange controls, in practice they tended to adopt measures and procedures identical with or similar to those established by the United Kingdom itself. In return, the British exchange control made provision for the sterling area to be considered as a unit within which a large measure of freedom in the transfer of funds would be allowed.

Thus, under the exchange regulations residents of the sterling area were to be treated in the same manner as residents of the United Kingdom. Since purchases from these countries could be paid for in sterling, the excess of British payments over current receipts from the countries concerned led to an automatic increase in the sterling exchange which was held by their central bank or other authorized agency. Similarly, by voluntary agreement an increase in sterling reserves was effected by a surplus arising out of transactions with nonsterling countries, since the foreign exchange so acquired was turned over to the common exchange pool in return for sterling.

The Dollar Problem

The first order vesting American securities was issued by the British Treasury on February 17, 1940, covering a rather general list of 60 specified dollar securities which, with two exceptions, were all common stock issues. On April 13 another order transferred to the Treasury all holdings of 117 selected dollar issues, but on this occasion a substantial number of preferred stocks and bonds were included in addition to a greater number of leading common-stock issues. Toward the end of 1940 and during early 1941 the rate of vesting and acquisition was accelerated in view of the rapidly dwindling gold and dollar balances.

According to British estimates at the time, out of $292,000,000 in gold approximately $51,000,000 were unavailable, and out of $359,000,000 in dollar balances some $305,000,000 were unavailable. Actual sales in the United States of stocks and bonds of American business were reported by the United States Treasury to total $542,732,000 to the end of 1941, divided as follows: 1939, $144,530,000; 1940, $170,931,000; 1941, $227,271,000.

Earlier, with the fall of France and the accentuation of the dangers of invasion, steps had been taken by the United Kingdom to insure the safety of its remaining international financial resources, particularly dollar investments, through shipment of the securities to Canada. The original action was taken in secret, but the Treasury was later empowered through an Order-in-Council to take charge of all securities with a view to ensuring their safety. Custody in Canada was placed in the hands of a new agency, the United Kingdom Security Deposit, which eventually became the transfer agent through which owners might sell their securities held by the Deposit.

By the spring of 1941 it was becoming obvious that the dollar pool was being drained faster than it could be replenished by current transactions. The passage of the Lend-Lease Act gave a large measure of relief, but it did not remove the obligation to pay for purchases already contracted for by the British Government. To meet this situation the British would have had to strip themselves of virtually all remaining marketable assets, many of which demanded slow liquidation, had not assistance been given through direct arrangements with the Reconstruction Finance Corporation, which for the time being eliminated the necessity for outright sale.

The terms of the agreement provided that the RFC would advance up to $425,000,000 to the British Government against the deposit of British-owned market securities and direct investments, the loan to run for 15 years at 3 percent interest, with income accruing on the pledged investments to be used to service the loan. It was reported that by September 1, 1941, the sum of $100,000,000 had actually been advanced against collateral valued at $145,000,000; subsequent advances brought the total of the loan to $390,000,000 against approximately $450,000,000 of pledged securities.

A further safeguard was provided by a British commitment that income arising from the operations of branches of British insurance companies in the United States would also be available for servicing the loan. By July 31, 1944, according to an official announcement, the RFC had received payments aggregating $125,167,187 from the collateral, of which $113,816,350 came from interest, dividends, and other income, while $11,350,837 represented the proceeds of the sale by the United Kingdom of a small amount of the collateral.

Thus for nearly 2 years British purchases of war materials in the United States were financed out of Britain's own financial resources, and even after the passage of the Lend-Lease Act some commodities could move only on direct cash payment. By the end of 1940 approximately $2,316,000,000 of the available dollar resources had been expended, exclusive of the expenditures offset by amounts currently earned through exports and services.

Approximately three-fourths of the resources expended were in the form of gold payments, 10 percent in dollar balances, and the remainder through the liquidation of market securities. Of the total payment of $1,380,000,000 in respect of British Government orders, however, only $660,000,000 worth had been delivered in the form of goods and services; the remaining $720,000,000 represented advances and capital outlays to secure the extension of American plant capac-

[1] For a more detailed discussion of some of these agreements, see International Reference Service report No. 8, March 1941, entitled "British Financial Agreements with Foreign Countries," by Thomas R. Wilson; published by the Bureau of Foreign and Domestic Commerce.

[2] See note at end of this article.

ity. Furthermore, it was estimated that at the beginning of 1941 there were outstanding commitments amounting to $1,393,000,000, and these liabilities were not abrogated by the passage of the Lend-Lease Act.

Between January and August 1941 additional commitments amounting to $458,000,000 were incurred outside of Lend-Lease. In all, according to the White Paper on Mutual Aid, from resources and current dollar earnings the British Government expended some $6,000,000,000 in the United States to the end of 1943 on supplies of all kinds in addition to the actual Lend-Lease exports received, estimated to total $6,594,550,000, and against which the British had supplied Reverse Lend-Lease in the amount of $1,563,640,000.

Relations With Canada

Canada as a dollar country was excluded from the sterling area, and therefore the financial problems facing the British in their transactions with Canada closely resembled those met in their operations in the United States. Although the other Dominions in general were agreeable to maintaining sterling balances growing out of British war expenditures, it was clear that to ask Canada to do the same, to the extent necessary, would have meant in effect asking that country to change its currency standard.

In order to control the disposition of Canadian dollars the British exchange authorities placed them on the same list of designated "hard" currencies as the United States dollar, and ordered that resident holders of these dollars turn them over to the exchange control against payment in sterling. Nevertheless, between September 15, 1939, and March 31, 1942, the sterling area accumulated a net deficiency of Canadian dollars amounting to $1,870,000,000 (Canadian), a sum only slightly less than the deficit in American dollars.

Up to the end of 1940 the deficit was partially financed by the shipment of gold, which Canada in turn shipped to the United States in part settlement of its deficit being incurred in transactions with the United States. After 1940, however, increasing reliance was placed on two other methods: (1) the redemption or purchase, mainly in advance of maturity, of Canadian securities held in the United Kingdom; and (2) the accumulation of sterling balances by the Foreign Exchange Control Board of Canada.

The Canadian Government undertook four separate repatriation operations prior to March 1942 in its own or guaranteed securities, consisting mainly of securities of the Canadian National Railway and its subsidiaries, valued at upward of $400,000,000 (Canadian). Shortly after this date additional repatriation of the same type took place, amounting to approximately $295,000,000.

During this same 18-month period it was estimated that a further $126,000,000 (Canadian) was provided through such means as the repatriation of private equities, the private discharge of debts, and miscellaneous gifts. Thus, by official repatriation to the sum of $714,000,000 and private repatriation of some $126,000,000, Canada provided nearly $840,000,000—correspondingly reducing British investments in Canada.

Despite, these actions Canada was able to accumulate approximately $780,000,000 (Canadian) in the form of sterling balances in London. By March 1942, the United Kingdom was facing much the same situation in Canada as was being met in the United States, making a decision on future policy imperative. In his Budget Message of March 1942, Mr. Ilsley, the Canadian Minister of Finance, disclosed that British investors still held $700,000,000 worth of Canadian dollar securities and $300,000,000 worth of sterling securities based on Canadian property and enterprises, which he said was all that was left as far as the Canadian Government knew. (Figures given to the Canadian House of Commons on May 1, 1943, revealed that dollar securities held, at market prices, amounted to $586,900,000 and sterling securities amounted to £107,700,000, both exclusive of direct investments of United Kingdom companies in subsidiaries or branches in Canada. (Obviously these figures do not raise the earlier totals by any appreciable amount.)

It was reported at the time that there was considerable agitation for further repatriation, particularly from those quarters which favored railway amalgamation, since more than $268,000,000 worth of Canadian Pacific Railway securities were still held by British interests. The Canadian Government decided, however, to adopt the policy of halting any further repatriation, although continuing to carry through the pending final mopping-up of all Canadian Government and Canadian National Railway securities. This decision was based on the consideration that it would be highly desirable for Britain to continue to have a financial stake in Canada, and that Canada should continue to have a financial interest in the United Kingdom. In the words of Mr. Ilsley, "The mutual financial interest which will remain is bound to strengthen the other economic ties between the two countries which have been of such great value in the past and will continue to be of great value in the future."

The revision of Canadian policy required a new technique by which British purchases and other expenditures in Canada might be financed. The first step was to convert $700,000,000 of the sterling balance into a long-term interest-free loan, the rate and terms in the future to be decided after the war. This loan was in some respects similar to the RFC operation, but without the important requirement that collateral be posted. Actually, however, an arrangement was made whereby the proceeds of any sales of Canadian dollar securities owned in the United Kingdom to persons outside that country would be used toward repayment of the loan, and any funds received from redemption or repayment during the war of any Canadian securities owned in Britain would also be applied to the same purpose.

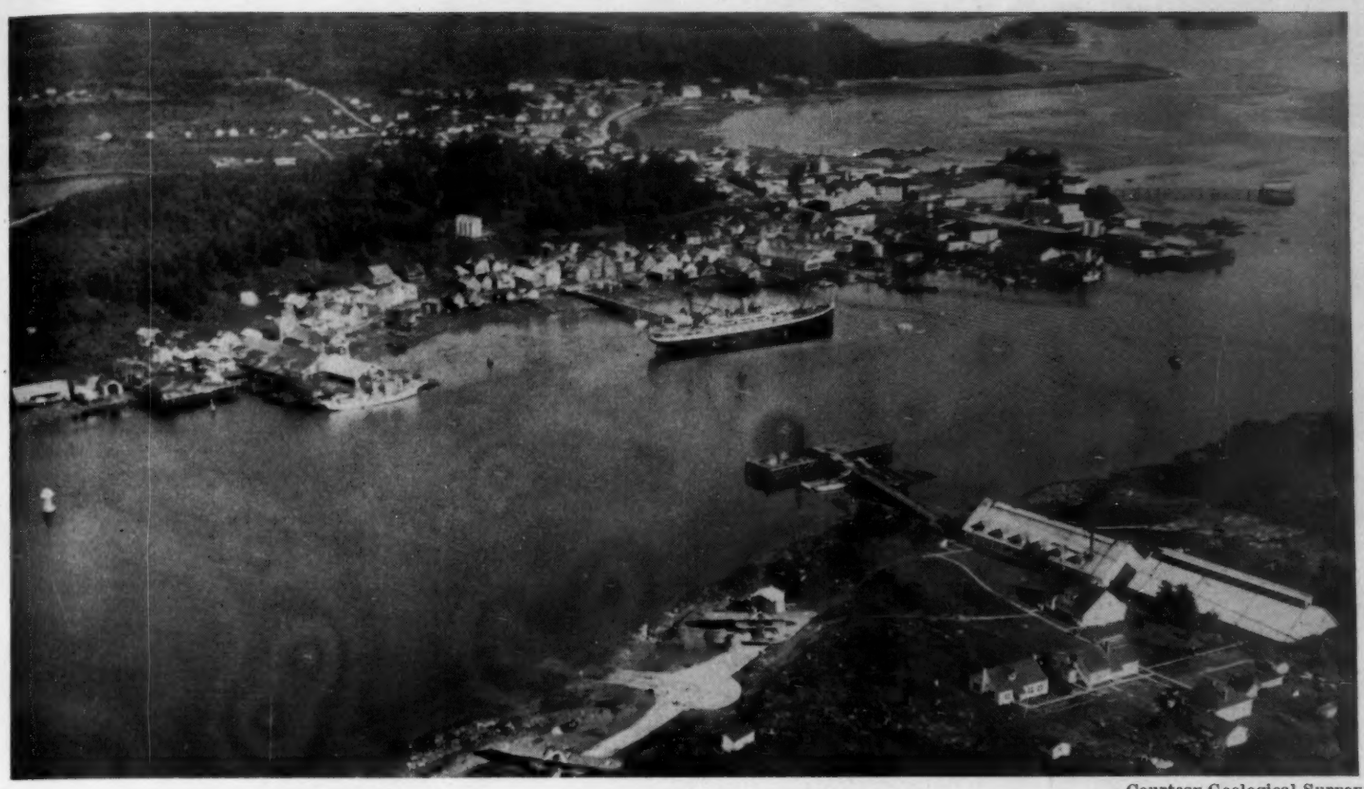
In effect, therefore, the agreement amounted to the same thing as requiring actual deposit or pledging of specific securities as collateral. In addition, Parliament voted to extend an outright gift of $1,000,000,000 to be used by the United Kingdom to defray war expenditures in Canada. From this, however, it was decided to deduct the $80,000,000 balance remaining in the sterling deposits of the Government, leaving approximately $920,000,000 available for future purchases.

By the end of the calendar year 1942 the $1 000,000,000 gift was exhausted. Not all of it was directly spent by the United Kingdom, some of the dollars so provided being sold by the British Exchange Control to other countries in need of Canadian funds, particularly Australia and New Zealand. In the interim between the exhaustion of the gift and the passage of new legislation the Canadian dollar deficit of the British Government was partially covered by the transfer to Canada of approximately $165,000,000 in United States dollars from balances held in New York and partially by the provision by Canada of $200,000,000 for the purchase of investments in Canadian war plants which the British Government had made early in the war.

The new Canadian plan represented more of a shift in technique and procedure than it did in actual end effect, being brought more closely to the Lend-Lease system in the United States than the gift system had been. The appropriation granted by the Mutual Aid Act of May 20, 1943, amounted to the same sum as the preceding year's gift, $1,000,000,000. This time, however, control remained with a Mutual Aid Board consisting of five Canadian Cabinet Ministers, and the war materials supplied under the Act could be allocated to any of the United Nations by decision of the Board. Furthermore, the Government was granted power to accept reciprocal aid and to stipulate for the return to Canada after the war of any supplies or equipment furnished under the Mutual Aid plan. In this one respect it differed markedly from the gift, which did not provide for possible return of supplies after the war.

In the ensuing year to March 31, 1944, expenditures for war supplies transferred to the United Kingdom amounted to $724,000,000, out of total direct expenditures of $913,000,000. During the same period it was estimated that Britain bought and paid cash for over $850,000,000 worth of goods in addition to certain amounts of reciprocal aid given to Canada. The major part of the funds for these purchases was provided from payments made by Canadian forces overseas, estimated at $534,000,000. On June 13, 1944, the appropriation was renewed by vote of the House of Commons, but only to the amount of $800,000,000 less an estimated $67,000,000 to be used in part payment of Canada's subscription to UNRRA. The reduction in amount reflects both Canada's greater direct participation and the alteration in Britain's expected needs as well as those of other United Nations.

(Continued on p. 38)



Courtesy Geological Survey

View of the waterfront of Sitka, Alaska.

ALASKA: New Source of Pulp and Paper Exports?

By MARY E. POOLE, *Industrial Projects Unit, Bureau of Foreign and Domestic Commerce*

"ALASKA AS A STOREHOUSE should be unlocked." That was how Woodrow Wilson phrased it in his message to Congress back in December 1913. Two world conflicts and more than 30 years of economic, political, and social changes have failed to dim that vision of a new frontier. This year the Forest Service of the United States Department of Agriculture extended an invitation to post-war-minded pulp and paper men throughout the country to investigate the virtually untouched resources of Tongass National Forest.

Just what the economic potentialities of Alaska as a stepping-stone between the United States pulp and paper industry and markets of the Far East can mean to the future export status of the industry and to the trade of competitive countries is a subject that has evoked widespread comment both here and abroad.

Timber Resources

The timber resources of Tongass National Forest are almost entirely high-grade pulping species, predominantly western hemlock (74 percent) and Sitka spruce (20 percent) with small amounts of western red and Alaska yellow cedars. Although the forest cover extends to an altitude of 2,750 feet in some places, it is estimated that 75 percent of the commercial timber lies within 2½ miles of tidewater and below the 1,500-foot contour.

Preliminary studies of yield in the forest indicate that rotation on an average of about 80 years would greatly increase the volume per acre over the average volume found in the virgin commercial forest, now estimated at 78,500,000,000 board feet. Under sustained-yield forest management this would mean that an industry could take from the forest each year approximately 1,600,000 cords of wood. If used only in the manufacture of newsprint, this would yield substantially more than 1,000,000 tons of that basic commodity.

In the younger, even-aged stands or regrowths, spruce is found in a much larger proportion than the over-all average present volume would seem to indicate. However, about 50 percent of the commercial timber occurs in mixed stands of overmature and young trees, and in these the tendency has been toward a gradual replacement of spruce with western hemlock.

The high value of western hemlock is well known in Oregon, Washington, and British Columbia where it has been used for more than 15 years in bleached and unbleached sulphite plants. As it occurs in southeastern Alaska, western hemlock ranges from 8 inches to 4 feet in diameter. Overmature trees, usually those over 3 feet in diameter, are in many cases too defective to be merchantable, but the young and mature trees are well formed, with a minimum of defect. They are generally considered superior to eastern hemlock for pulping purposes. The average yield of pulp from 100 cubic feet of western hemlock is estimated at 2,160 pounds, bone dry, by the mechanical process and 1,050 pounds, bone dry, by the sulfite process.

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U. S. Forest Service photo

Scene in the Tongass National Forest, Alaska: lake, falls, and vast expanses of trees.

Sitka spruce, which is the most valuable species found in southeastern Alaska, is an excellent all-purpose pulping wood, besides being suitable for lumber. It is somewhat larger than hemlock, reaching as much as 6 feet in diameter, and compares most favorably with the white spruce commonly used by eastern United States pulp and paper manufacturers. One hundred cubic feet of spruce yields an average of 2,100 pounds of bone-dry pulp by the mechanical process or 1,080 pounds by the sulfite process.

Western red cedar is found only at low altitudes in the southernmost parts of the Tongass National Forest, usually in small groups along with hemlock and spruce. It can be used for the manufacture of sulphate pulp. Alaska yellow cedar occurs at higher levels and farther north.

Alaska Pulp in World Markets?

The development of a pulp and paper industry in Alaska would be a step toward expanding the United States' share in world markets. This is particularly true in the case of the Far Eastern markets because the advantageous location of Alaskan ports on the Great Circle Route makes shipping to that part of the world a comparatively easy proposition.

Sweden, Finland, and Norway played important roles in the pre-war markets for wood pulp and paper in the Orient and South Pacific (as can be seen by the tables presented in this article), even though it meant that shipments had to be made over the long route around the Cape of Good Hope or through the Suez Canal. With shipping distances so heavily in favor of Alaska, a well-developed industry in that Territory would be an important factor in future years.

Latin America is another prospective market for Alaskan pulp and paper. Consumption of paper is rapidly increasing in all the Republics, and, although before the war they were sustained primarily by imports from Europe, such a situation does not necessarily hold true for "after the war," when European capacity will probably be unprepared to take care of the additional demand. Thus it appears that the United States can count on retaining a large share of the Latin-American market for some time in the future.

Of purely domestic interest is the fact that an established pulp and paper industry in Alaska could well act as a "cushion," for the United States, against any future loss of European sources of supply in times of national emergency. It is doubtful whether the pulp output of such an industry could be used economically within the continental United States during peacetimes because the expense of rail transportation would put too much of a strain on the competitive position it would occupy vis-a-vis Scandinavian suppliers who can easily ship wood pulp to Canada and thence through the Great Lakes to the North Central States at comparatively lower rates.

Size and Location

Tongass National Forest covers approximately 16,073,000 acres or roughly 73 percent of the entire southeastern Alaska Archipelago. The territory is characterized by high reliefs and rough topography, and, though it averages barely 120 miles in width, it extends from the Alaskan mainland down the west coast of British Colombia for a distance of some 350 miles—a maze of small islands separated by deep, navigable straits, channels, and bays. Its land area of 34,000 square miles is only slightly larger than the State of Maine, but its total shore line of 9,000 miles is nine times that of California.

Exports of Newsprint to the Far East

[1937–39 average, in short tons]

Country of destination	From United States	From Sweden	From Finland	From Norway	From United Kingdom	From Canada
British India [1]	107	2,480	2,802	14,832	[3]	3,119
China [2]	2,375	3,964	1,965	5,809	434	6,045
Japan	455	478	263	1,910	[3]	11,925
French Indochina	19		208	116	[3]	[4]
Netherlands Indies	16	837	510	794	[3]	1,925
New Zealand	4		29	143	5,823	28,194
Thailand (Siam)		124	187	688	[3]	[4]
Australia	13				33,409	142,316
British Malaya		1,687	1,204	2,363	[3]	255
Ceylon			522	370	[3]	180
Total	2,989	9,570	7,690	27,025	39,666	193,957

[1] Including Burma.
[2] Including Hong Kong.
[3] Not shown separately.
[4] None reported.

Exports of Wood Pulp to the Far East

[1937–39 average, in short tons]

Country of destination	From United States	From Sweden	From Finland	From Norway	From Canada
British India [1]	5,007	4,974	570	2,377	40
China [2]	2,561	2,603	495	112	806
Japan	102,822	51,272	18,536	34,926	30,931
French Indochina	56	124	56	37	[3]
Netherlands Indies	38	55		60	429
New Zealand	93	9,103	2,172	19	[3]
Australia	3,653				99
French Oceania		137			116
Total	114,230	68,268	21,829	37,531	32,421

[1] Including Burma.
[2] Including Hong Kong.
[3] None reported.

Exports of Wrapping Paper to the Far East

[1937–39 average, in short tons]

Country of destination	From United States	From Sweden	From Finland	From Norway	From United Kingdom	From Canada
British India [1]	21	15,561	825	919	955	(2)
China [3]	63	6,997	1,684	1,050	(4)	2,427
Japan	8	2,269		97	(4)	1,923
Netherlands Indies	123	3,648	14	529	(4)	1
New Zealand	135	1,403	180	33	402	1,362
Thailand (Siam)	5	314	26	49	(4)	(5)
Australia	256				1,338	1,655
British Malaya	2	726	47	182	(4)	61
Total	613	30,918	2,776	2,859	2,695	7,429

[1] Including Burma.
[2] Negligible (less than 1 ton).
[3] Including Hong Kong.
[4] Not shown separately.
[5] None reported.

Exports of Printing Paper Other Than Newsprint to the Far East

[1937–39 average, in short tons]

Country of destination	From United States	From Sweden	From Finland	From Norway	From United Kingdom	From Canada
British India [1]	36	1,171	(2)	3,309	1,791	43
China [3]	2,526	91	(2)	1,936	367	1
Japan	16	19	(2)	161	(4)	8
Netherlands Indies	288	314	(2)	564	(4)	5
New Zealand	468	32	(2)	98	4,378	468
Thailand (Siam)	(5)	7	(2)	637	(4)	(5)
Australia	254		(4)		18,027	2,671
British Malaya	50	80	(2)	320	(4)	14
Ceylon			(2)	60	810	(5)
Manchuria (China)			(2)	120	(4)	(5)
Total	3,638	1,714	(2)	7,205	25,373	3,210

[1] Including Burma.
[2] Official export statistics of Finland make no provision for the listing of printing, writing, or book paper.
[3] Including Hong Kong.
[4] Not shown separately.
[5] Negligible (less than 1 ton).
[6] None reported.

Exports of Paperboard to the Far East

[1937–39 average, in short tons]

Country of destination	From United States	From Sweden	From Finland	From Norway	From United Kingdom	From Canada
British India [1]	69	1,823	587	89	1,196	(2)
China [3]	923	364	460	8	76	(4)
Japan	21	41		4	(5)	(2)
Netherlands Indies	568	212	530	346	(4)	(6)
New Zealand	4,864	1,556	822	177	307	1,617
Thailand (Siam)	(4)	53	18		(5)	(2)
Australia	557				2,052	814
British Malaya	92	210	52	3	(5)	(2)
Total	7,094	4,259	2,469	627	3,631	2,431

[1] Including Burma.
[2] None reported.
[3] Including Hong Kong.
[4] Negligible (less than 1 ton).
[5] Not shown separately.
[6] Given in value only.

Exports of Other Paper and Products (Not Specified) to the Far East

[1937–39 average in short tons]

Country of destination	From United States	From Sweden	From Finland	From Norway	From United Kingdom	From Canada
British India [1]	(2)	486	1,334	95	766	(3)
China [4]	(2)	556	1,020	3,569	20	(3)
Japan	(2)			42	(5)	(3)
French Indochina	(2)		78		(5)	(3)
Netherlands Indies	(2)	69	496	10	(5)	(3)
New Zealand	(2)	175	247	3	714	(3)
Thailand (Siam)	(2)		98	37	(5)	(3)
Australia	(3)				658	(3)
British Malaya	(2)	191	287	77	(5)	(3)
Ceylon	(2)		63		(5)	(3)
Total	(3)	1,477	3,613	3,833	2,158	(3)

[1] Including Burma.
[2] Given in value only.
[3] Not specifically provided for.
[4] Including Hong Kong.
[5] Not shown separately.

[Since the readers of FOREIGN COMMERCE WEEKLY are doubtless concerned mainly with the *foreign-trade* aspects of Alaska's wood-pulp potentialities—particularly as these relate to the possibilities for greatly increased United States sales of pulp and paper in the Far Eastern regions—there are presented herewith six tables showing the purchases (from abroad) of the principal commodities in this line, during the immediate pre-war period, by the major countries in eastern and southern Asia and the Indies. These figures, brought together in concise and pertinent form, give a clear idea of the normal markets and of the share of each producing and exporting country *in* those markets.]

Climate

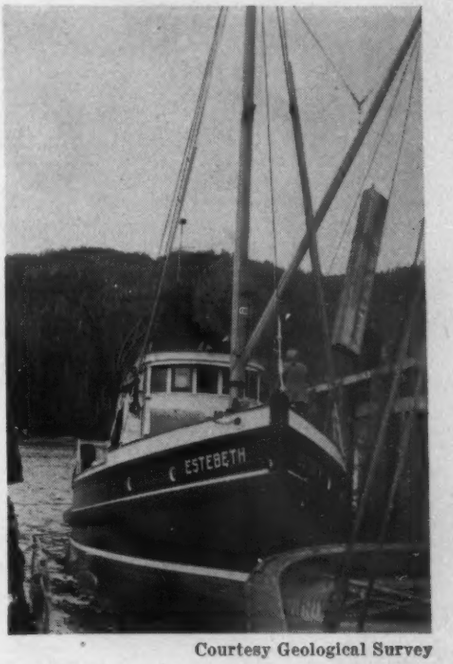
The warm Japanese current provides the Alaska Archipelago with a moderate climate unparalleled in any other region of the same latitudinal position. At sea level, snow rarely remains on the ground during the winter, and the streams and protected waterways are ice-free the year round. Rainfall is heavy, averaging in some places as high as 156 inches a year, a powerful weapon against the forest's No. 1 enemy—fire. Were it not for the fact that winter days are generally too short to make operations worth while, year-round logging would be possible. As it is, 9 full months can be considered as the usual extent of the logging season.

Power Resources

Potential water-power resources of significant proportions are available for industrial use in southeastern Alaska. While surveys thus far have not disclosed any very large capacity power sites—the largest single site investigated had a capacity of 32,000 horsepower the year round—in many places power from two or more sites could be concentrated in one manufacturing point.

For instance, two sites adjoining the head of the Speel River Arm of Port

(Continued on p. 24)



Courtesy Geological Survey

Typical work-boat of Alaskan coastal region.

In the American Republics:

CONTAINERS—Paper and Paperboard

By CATHERINE C. GARTLAND, *Specialties Unit, Bureau of Foreign and Domestic Commerce*

WARTIME RESTRICTIONS and the tremendous movements of essential products have created a critical supply situation with regard to bags and boxes. The Latin American republics are among the countries experiencing a shortage of all types of paper and paperboard containers, and their ever-increasing needs have brought about numerous efforts to stimulate domestic production and to facilitate importation. These countries are essentially importers of paperboard and in no case is any one of them self-sufficient. The few Latin American republics which have domestic paperboard industries are largely dependent on imported pulp, and, as supplies of this commodity are limited, there is little likelihood that container production can be increased in the immediate future.

This article discusses, geographically, the paper- and paperboard-container situation in Latin America, as well as the situation with respect to raw materials for such containers.

Mexico

Mexico, the third largest Latin American republic, with an estimated population of 20,623,800, has approximately 16 established factories producing corrugated and cardboard boxes. Titan, the most important factory, is engaged principally in the manufacture of beer cartons but also manufactures every class of cardboard box, including those used by the pharmaceutical trade. Owing to the fact, however, that importation from foregn countries, with the exception of the United States, has practically ceased, these companies find themselves unable to supply the needs of the Mexican market. In 1942 the United States shipped to Mexico 4,672 pounds of heavy shipping paper sacks, 411,306 pounds of other paper bags, 334,766 pounds of heavy fiber shipping containers, and 389,241 pounds of other boxes and cartons. In 1943 United States exports to Mexico of all these classes increased.[1] Shipments were as follows: 136,033 pounds of heavy shipping paper sacks; 418,017 pounds of other paper bags; 1,581,989 pounds of heavy fiber shipping containers, and 441,061 pounds of other boxes and cartons.

With regard to raw materials, most of the wood pulp used by the Mexican paper industry is imported—formerly from Sweden, and since the war from the United States and Canada. There are also many small enterprises throughout the Republic engaged in the manufacture of bags, boxes, envelopes, and other converted paper products. Most of the paper mills are operating at maximum capacity permitted by the shortage of raw materials, and at least one of them has imported additional machinery and equipment during the last year.

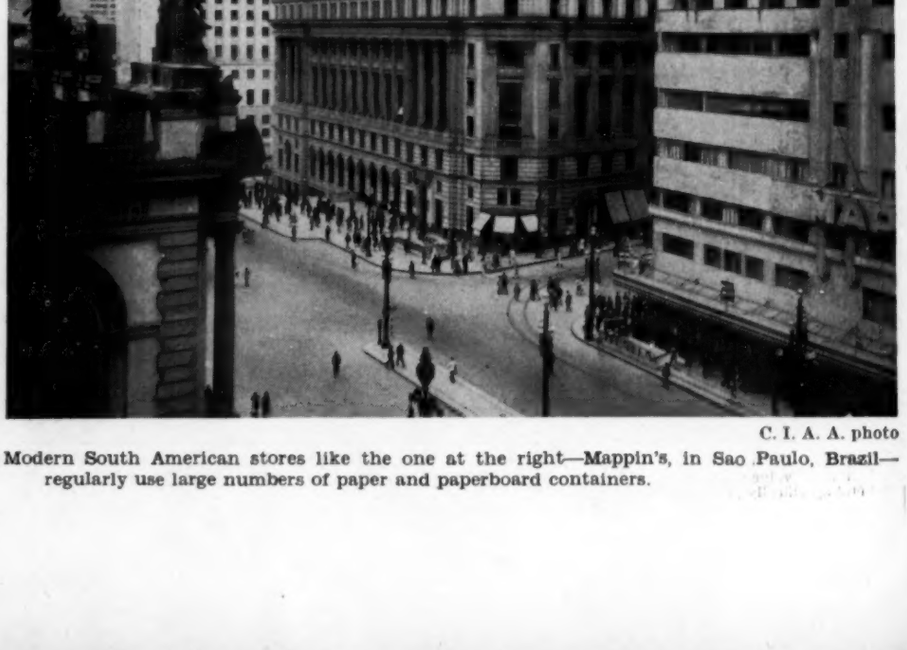
It is estimated that in 1942 Mexico produced 25,419,038 pounds of boxes and cartons, 7,647,757 pounds of heavy shipping sacks, and 6,073,673 pounds of other paper bags.

The post-war market in Mexico for paper and paperboard containers undoubtedly will be good. Following the reciprocal visits made in April 1943 by the Presidents of Mexico and of the United States, a Mexican-American Commission for Economic Cooperation was formed to study the problems arising out of the war. Among subjects considered by this Commission was the furthering of the industrial expansion of Mexico. Programs for the orderly development of the electrical, steel, rubber, cement, chemical, textile, sugar and alcohol, and pulp and paper industries were developed by the Commission with regard to immediate as well as to long-range projects.

Guatemala

Guatemala, with an estimated population of 3,283,200, manufactures only a few paperboard containers, all from imported paperboard. United States exports to Guatemala in 1942 totaled 187,694 pounds of heavy shipping paper sacks, 36,704 pounds of other paper bags, 26,201 pounds of heavy fiber shipping containers, and 9,031 pounds of other boxes and cartons. In 1941, according to Guatemalan customs statistics, 1,955,573 pounds of paper shipping bags were imported; however, most of these were not ordinary shipping bags but were paper "blankets" imported by the United Fruit Co. for use in shipping bananas. Guatemala is entirely dependent upon the United States for supplies of these bags. None are produced locally and no other source of supply is available. Moreover, there is no production of industrial machinery or equipment, and the domestic industry must now rely almost exclusively on the United States for its needs.

Since Guatemala is not highly industrialized and has not experienced a period of rapid industrial expansion as a result of the war, post-war industrial problems are not expected to be serious. There has been no conversion of indus-



C. I. A. A. photo

Modern South American stores like the one at the right—Mappin's, in Sao Paulo, Brazil—regularly use large numbers of paper and paperboard containers.

[1] Except in the case of Mexico, all United States export statistics are for the year 1942, the latest year for which such data may be released.

try; no development of new uneconomic industries; and there have been no problems of competition in world markets.

Honduras

Honduras is the second largest of the Central American republics, being surpassed only by Nicaragua. No manufacture of paperboard in Honduras has been reported, nor are any converted paperboard items produced locally. The country is totally dependent on imports for supply. In 1942 the United States exported 23,900 pounds of heavy shipping paper sacks to Honduras, 156,972 pounds of other paper bags, 147,073 pounds of heavy fiber shipping containers, and 18,168 pounds of other boxes and cartons.

With the exception of small factories devoted to the production of light consumer goods, there has been little manufacturing development in Honduras. It has been estimated that the per capita purchasing power in that country does not exceed $100 per year.

El Salvador

El Salvador, the smallest of the Central American countries, is the second most densely populated of the 20 Latin American republics.

There are four paper-box manufacturers in El Salvador, but no paper or paperboard is produced locally.

Since the manufacturing carried on is of a simple type, the country is dependent on imports to supply most of its needs. In 1942 the United States exported to the Salvadorans 10,235 pounds of paper bags, 5,054 pounds of heavy fiber shipping containers, and 5,111 pounds of other boxes and cartons.

General domestic requirements for the most part are simple. The majority of the inhabitants are engaged in agriculture.

Nicaragua

The largest of the countries of Central America is officially known as Republica de Nicaragua. The manufacture of paperboard and its converted products is nil. Industries manufacturing consumer goods operate on a small scale, employ only a few workers, and produce for a limited local market. Nicaragua is, however, an importer of paper and paperboard containers. The United States, in 1942, exported to Nicaragua 10 pounds of heavy shipping paper sacks, 26,986 pounds of other paper bags, 10 pounds of heavy fiber shipping containers, and 2,916 pounds of other boxes and cartons.

Nicaragua is essentially an agricultural country, and its economic and post-war future lies primarily in the further development of its agricultural and forest resources, and in the possible expansion of its gold and silver mining industries. It is probable that there will be some further development of manufacturing industries producing light consumers' goods for the domestic market, but because of the small population, the low purchasing power of the people, the scarcity of domestic raw materials and fuels, and the lack of adequate transportation facilities, such expansion probably will be moderate.

From Pan American Airways

In Latin American commerce and business the use of paperboard containers is steadily mounting—and such containers are utilized in countless varied phases of merchandise movement. The instance here portrayed happens to be signally picturesque—the transportation of baby chicks by airplane.

Costa Rica

The Republica de Costa Rica (Republic of the Rich Coast) has an area of 23,000 square miles — approximately equivalent to that of the State of West Virginia.

Reports indicate that there is only one small paperboard box factory in the country, and, as in most of the other Latin American republics, Costa Rica is totally dependent on imported board. As to converted products, the United States exported in 1942, 4,607 pounds of heavy paper shipping sacks, 710,565 pounds of other paper bags, 26,829 pounds of heavy fiber shipping containers, and 2,413 pounds of other boxes and cartons.

The development of Costa Rican manufacturing industries in general has been retarded by the absence of large resources of industrial raw materials, inadequate transportation facilities, and the limited domestic market afforded by the small population of the country.

Panama

Panama is a small country, with few industrial resources, and there is no converted paper-products industry worthy of note. The consuming industry appears to rely on imports from the United States, although there is a small local production. The principal use of paperboard in Panama is for the manufacture of shoe boxes; however, the reduction in shoe material and equipment has resulted in a corresponding decrease in the demand for these containers. The demand is still greater than the supply which the United States has been able to furnish, thus forcing most of the box manufacturers to obtain paperboard from Peru.

To a much lesser extent, paperboard is used locally for the manufacture of cartons for medicine, candy, liquor, and macaroni. According to a recent report, approximately 80 percent of these containers are made from Peruvian paperboard and the remainder are made of United States paper products.

Paper bags, other than the heavy market variety, are not produced in Panama. A recent ordinance provides that perishable food products sold in the market must be wrapped in packages or placed in bags. This ruling, in conjunction with increased population, has created a demand for bags.

In 1942, the United States shipped to Panama 9,934 pounds of heavy shipping paper sacks, 1,399,129 pounds of other paper bags, 83,100 pounds of heavy fiber shipping containers, and 129,220 pounds of other boxes and cartons.

A recent report states that one firm imported a trial order of kraft paper bags to be used as garment containers. It is too early to predict the degree of success which this product will have in the market, but in Panama's tropical and humid climate, it is not unreasonable to expect an appreciable future demand.

The report further states that a local printing firm plans to purchase a large paper-bag manufacturing machine, which will utilize kraft paper. This firm expects to be able to produce all of Panama's requirements. If this project should materialize, a decline in the importation of paper bags will result, although the amount of kraft paper imported would increase.

Cuba

Cuba, the largest of the West Indian islands, has an estimated population of

(Continued on p. 45)

Aviation in URUGUAY

URUGUAY IS SERVED by four international air lines which supplement the highways, rail network, and waterways. In a continent of diversified topography, this Republic is not hampered in its development of surface transportation by spectacular contrasts in terrain; it has no towering peaks, nor has it desert land or sweltering jungles. Fertile, undulating plains, an extension of the Argentine pampas, and low rolling hills, a continuation of the plateau system of Brazil, vary from 1,500 to 2,000 feet in elevation. This triangular-shaped nation is practically surrounded by water, with 660 of its 1,150 miles of boundaries formed by sea coast, lakes, and rivers. The estuary of the Rio de la Plata ("River of Silver"), formed by the junction of the Rio Uruguay and Rio Parana, provides one of the great trading arteries of the world, while more than 700 miles of navigable rivers, and Lake Merim on the east, offer additional transportation facilities. Purple mists and purple wild flowers give the title of "Purple Land" to this compact, densely populated country.

Though Uruguay is the smallest country in South America, it is the most densely populated, and it has developed extensive surface transportation facilities. On an area of 72,000 square miles, or somewhat larger than the New England States plus New Jersey, the population of more than 2,000,000 is supplied with 8,000 miles of roads and 2,000 miles of railroads. Travel by air is offered to Montevideo and Colonia. A total of 8,000 miles are scheduled to be flown each week over 1,000 miles of unduplicated airways which connect with the aerial trade routes serving global air lines.

Air Transport Advantages

Located on the southeastern coast of South America, Uruguay is separated from Brazil on the north and east by the Rio Quaraí, Rio Yaguaron, and Lake Merim; and from Argentina on the west by the Rio Uruguay. On the south are the estuary of the Rio de la Plata and the South Atlantic Ocean.

The three largest capitals in South America—Buenos Aires, Rio de Janeiro, and Montevideo—are linked by air lines which make it possible for a person to transact business in each of them within 1 day.

Though Argentina and Brazil are contiguous to Uruguay, time-consuming journeys have been a handicap, and air traffic speeds up communications and commerce. Typical of the time-saving factor is the flight of 1 hour between Montevideo and Buenos Aires, compared with the 9-hour steamer trip between the two cities. A surface trip of from 4 to 6 days from Rio de Janeiro to Montevideo is cut to 7 hours by utilizing air facilities.

By MARY B. MACKRILL, *Industrial Projects Unit, Bureau of Foreign and Domestic Commerce*

International Air Lines

Uruguay's air service is provided by the international operations of Pan American Airways, Inc. (PAA); Corporación Sudamerica del Servicios Aéreos (Corporación) of Argentina; the Brazilian line, Empresa de Viação Aérea Rio Grandense (Varig); and the Uruguayan line, Compañía Aeronautica Uruguaya, S. A. (Causa). A new Uruguayan enterprise, a combination of air line and steamship services—Compañía Uruguaya de Navegación y Transportes Aereos, S. A.—has been formed with an authorized capital of 3,000,000 pesos, but no actual operations have been reported. A mixed corporation, owned jointly by the Government and Primeras Líneas Uruguayas de Navegación Aerea (Pluna) has been formed to operate air lines in both the international and domestic fields. Serviços Aéreos Cruzeiro do Sul, Ltda. (Cruzeiro) flies across Uruguayan territory.

Control over aviation activities is under the Ministry of National Defense and is administered by the Dirección de Aeronáutica Civil. The Governments of Uruguay, Argentina, and Brazil have worked out reciprocal arrangements which permit a well-integrated, efficient traffic system in these three countries, and which have strengthened bonds of hemispheric good will. President Alfredo Baldomir has encouraged a public awareness of the importance of air facilities.

Railroad Services

There is more railroad mileage in Uruguay, in proportion to its size, than in any of the other South American countries. The rail lines radiate from the capital, connecting at the northern and eastern boundaries with railroads to Rio de Janeiro and other points in Brazil. Skirting the Rio Uruguay, which separates Uruguay from Argentina, railway lines of the two countries run parallel, but there are no direct rail connections from Argentina to Montevideo.

The first railway in Uruguay was operated in 1874 from Montevideo to Durazno—127 miles. Four of the most important railroads are owned by foreign capital; one is State-owned. The lines extend eastward from the capital to Maldonado and Puerto La Paloma on the Atlantic coast, westward from Montevideo to Colonia, and northward to the Brazilian border at the towns of Bella Union, Artigas, and Rivera, and northeasterly to Rio Branco. Railway lines serve nearly every Uruguayan city of importance.

Highways of Uruguay

All the main highways of Uruguay are two-way arteries and the roads are among the best in South America, reaching the 19 Departments of the Republic

From Pan American Airways

The heart of Montevideo, Uruguay's great capital, as seen from an air liner.

and touching the frontier of Brazil at several points. The roads spread from the capital to the central part of the Republic, westward to Colonia, Mercedes, and Fray Bentos, northeasterly to Rio Branco, and east to Maldonado and beach resorts. The Maua international bridge across the Rio Yaguaron is a link in the Pan American Highway and joins Rio Branco with Jaguarao in Brazil. The Pan American Highway when completed will provide the first improved route to Brazil. An international bridge over the Rio Artigas connects Quarahy (Brazil) with Artigas (Uruguay).

One of the plans for the coming years includes a trans-Brazilian highway which is to extend from the Uruguayan border to Belem, State of Para, in northern Brazil. This (if built) will offer an inland route to the Amazon from Santa Ana do Livramento (Brazil) on the Uruguayan border, opposite Rivera.

Water Traffic

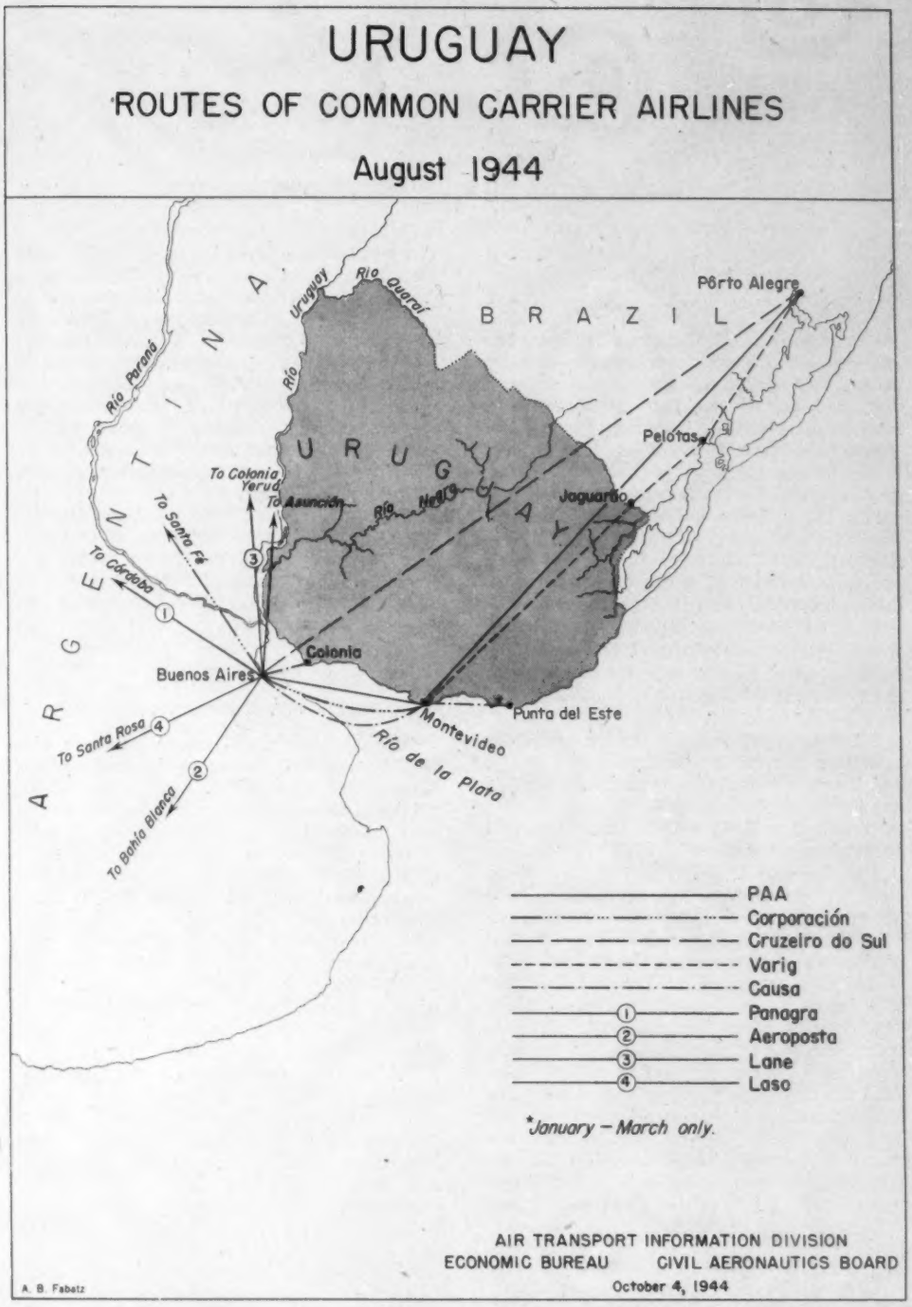
The Atlantic Ocean, stretching along the southeast coast of Uruguay, brings freighters and ocean liners from all seafaring countries of the world as well as coastal vessels to Uruguay's port cities. Lake Merim, on the boundary between Brazil and Uruguay, has small steamer traffic to towns which border upon it. More than 700 miles of navigable rivers supply transportation facilities. Small inland rivers carry traffic and cargoes for some distance along their courses. One of the most important inland rivers is the Rio Negro, which rises in Brazil, bisects the nation, and empties into the Rio Uruguay, where the waters of the Rio Quarai also find their way. The Rio Uruguay, rising in Brazil in the Sierra do Mar, is 930 miles long and has 10 port cities.

The Rio de la Plata, which rises in Nueva Palmira opposite the mouth of the Parana Bravo River, is the funnel through which the wealth of the surrounding agricultural region pours toward the seaports for shipment to foreign and domestic markets.

Industrial Picture

Uruguay has more than 8,000,000 head of cattle, approximately 20,000,000 to 22,000,000 sheep, and thousands of horses feeding on its prairie lands. Stock raising is the fundamental industry of Uruguay, which is one of the leading beef-producing countries of the world in proportion to its area and population.

Wool, meats, hides, and linseed are Uruguay's chief export commodities. Other animal products are: Hog bristles, cattle tail hair, fish livers, glandular products, ox bile, and neat's-foot oil. Grains, hops, peanuts, bird and sunflower seeds are among the more important agricultural products. Mineral deposits are small, but silver, copper, lead, manganese, gold, iron, petroleum, and lignite coal are present. Granite, onyx, marble, and sandstone are found, and sand and gravel are other commercial products. Extensive groves of citrus fruits are in the northern part of the Republic. Various industrial enterprises other than meat-producing plants have been established.



Montevideo, Business Center

Montevideo, on the left bank of the estuary of the Rio de la Plata, is 6,000 nautical miles southeast of New York City, a journey made in about 50 hours' actual flying time. The city's favorable location has attracted the greater portion of the commercial enterprises and approximately one-third of the population of the Republic. The capital has become one of the most popular summer resorts of South America, and rapid transportation facilities are provided to the beach resorts scattered along the seaboard in the vicinity.

Corporación Sudamerica

Corporación Sudamerica de Servicios Aereos, S. A., was organized in 1939 to supply services between Montevideo and Buenos Aires. Flying boats make the flight of 125 miles between the two capitals in 1 hour on a schedule of 6 round-trip flights weekly.

Pan American Airways

Pan American Airways, Inc., began direct international air services to Montevideo on June 15, 1944, to complete the circuit of the 20 capital cities of the Americas, renewing a service which had been suspended for several years. Clipper ships along the coastal route supply

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Late AIRGRAMS

Reports Submitted by Offices (in Latin America) of the U. S. Foreign Service

Uruguay

(From the U. S. Embassy, Montevideo)

Conditions in Uruguay, from the standpoint of basic production have been materially benefited by abundant and well-distributed rainfall, and the fear of a month ago, of a recurrence of the disastrous drought of 1942–43, has changed abruptly to general optimism. Green pastures and replenished water supplies have encouraged livestock breeders and farmers equally, and justified the belief that production of such crops as wheat, linseed, sunflowerseed, corn, and potatoes will be satisfactory.

It is believed that the new wool clip which began on October 1 will be about equal to last year's, but, on account of the necessity of dipping, the quality may be slightly inferior.

Shortages of certain raw materials continue to retard industrial production, but there is less labor unrest. Increased construction indicates that the volume of building in 1944 will be more than 50 percent greater than in 1943.

The foreign-trade situation is not so clear as the production picture, despite the continuance of large export balances. The movement of wool to the United States was more satisfactory, but, notwithstanding reports of sales of the new clip, there remain unsold approximately 30,000 bales from the old clip. Preferential exchange treatment for certain important items presented new problems for the meat packers, not only affecting seriously the production of the principal "frigoríficos" but also indirectly affecting domestic distribution. Purchases of cattle at the "Tablada" declined to 20,711 head for September, less than one-third of normal for the season. The export demand for woolen yarns and textiles continues excellent.

Import supplies absolutely necessary for the maintenance of the Urguayan economy continue to be received, shortages existing principally in the cotton-textile and general-merchandise lines.

The wholesale price situation is irregular, but generally satisfactory for the producer, except for corn and barley. Cattle prices seem temporarily stabilized at the new high levels, and wool prices remain technically nominal. Many imported and locally manufactured goods are definitely higher-priced, but retail prices for vital necessities are reasonably controlled. The Government is studying new measures to curb inflation, the new banking law being designed to control the increase in the quantity of money and to raise reserve requirements.

Collections were reported as varying between good and a little difficult, but, with the removal of the uncertainties caused by the threatened drought, this situation should improve. There have been fewer commercial failures.

The bill to cover budgetary deficits to the end of 1943 became a law. Government revenues improved. Prime loans were being made at rates between 5½ and 6½ percent. Total deposits were approximately 140,000,000 pesos higher than a year ago. Gold and exchange holdings continue to advance each month to new high levels.

The dollar remained at 1.845 in the "free" market, despite "informed" opinion that eventually the trend may have to be to a lower level. Activity in the securities markets declined, but prices in general were higher.

Venezuela

(From the U. S. Embassy, Caracas)

The high level of import tonnage, the activity in petroleum and construction operations, and private and public works projects continued to exercise their stimulating effect on general business conditions in Venezuela during September.

Imports during the month reached the near-record level of 58,000 metric tons compared with about 46,000 tons in August and monthly averages of nearly 45,000 tons during the first half of the year and 24,000 tons in 1943. Petroleum supplies and equipment still constituted the major import item, followed by iron and steel products, wheat flour, and cement.

With the development of already proven oil fields and exploratory works and the large volume of newly granted concessions, petroleum activity approached boom proportions. Production has maintained its steadily rising trend to a daily average of 823,000 barrels during the 4 weeks ended October 9 as compared with 809,000 barrels during the preceding 4 weeks.

Private construction still remained a substantial outlet for surplus funds and a stimulus to business activity. Building permits granted in Caracas during September covered 125 projects valued at 8,877,000 bolivares ($2,663,000), representing an increase of almost 100 percent over the 4,703,000 bolivares (105 permits) during the preceding month. Public works constituted an even greater stimulus to business conditions, especially in the interior. The budget for the current fiscal year is set at about 150,000,000 bolivares ($45,000,000). Projects inaugurated on October 12 comprised three roads, three new airfields, six schools, six Government buildings, and five sanitary installations in addition to numerous projects already under way.

While in some cases still hindered by shortages of imported raw materials, local industries in general continued to operate on a satisfactory level. Woodpulp requirements for local paper mills have been satisfied for some time to come by the arrival in August of 3,900 tons of Swedish wood pulp. Similarly, vegetable-oil and fat industries have been operating on a current basis, with regular, although limited, imports of peanuts, sunflower seeds, and copra, from Argentina and Trinidad. Rayon mills continued to operate on a subnormal basis owing to the limited availability of rayon yarn from the United States and other sources. Cotton-textile mills were reportedly operating on a 1½-shift basis with a good demand owing to the shortages of imported piece goods.

No changes were reported as regards the supply situation on other imported goods. Cement, reinforcing bars, caustic soda, carbide, and wheat flour were still in over-supply to the point where sales were sometimes effected below cost.

Shortages were encountered in barbed wire, steel beams, iron pipes, electrical conduit and wiring devices, glass and other containers, piece goods, agricultural equipment, canned goods, and powdered milk. The shortage of the last-named item was aggravated by the tight situation in domestic fluid milk. Although originally anticipated that a newly constructed powdered-milk plant near Maracaibo would supply a substantial part of domestic requirements, inadequate milk supplies have thus far restricted production to less than half initial capacity. General wholesale and retail merchandise turn-over is active; credits and collections good to excellent.

Easy money conditions were evidenced not only by the continued increase in commercial bank deposits, loans and surplus reserves, but also in the successful issuance of 4,000,000 bolivares in 6-percent 20-year mortgage bonds of the Government-owned National Institute of Sanitation. This supplemented a previous issue of the same amount on a Government authorization for a total of 20,000,000 bolivares.

Government receipts during the quarter ended September 30 totaled 127,100,000 bolivares, an amount 50 percent higher than that budgeted. Expeditures at 103,000,000 bolivares were only slightly in excess of the proportional budgeted amount. The resultant surplus of 24,000,000 bolivares compares with a budgeted quarterly deficit of 15,000,000 bolivares. As of September 30, the Treasury surplus stood at 133,000,000 bolivares and the Government internal debt at only 25,000,000 bolivares.

Declining prices on agricultural products now being harvested are reflected in a drop of 3.6 percent in the Central Bank wholesale food-price index for the Fed-

eral District and of 1.7 percent in the General index. In order to assure growers of adequate returns, the Government-owned Banco Agrícola y Pecuario has pegged corn and rice prices and has offered to extend loans at 80 percent of the pegged values.

Guatemala

(From the U. S. Embassy, Guatemala City)

Prior to the change in government on October 20, Guatemala approved two inter-governmental agreements with the United States that have future implications of economic importance. These are the Inter-American Cooperative Contract looking toward the completion of the Guatemalan section of the Pan-American Highway and the extension of the Cooperative Sanitary Agreement providing for relatively sizable expenditures of funds by Guatemala for the control of typhus, malaria, and similar diseases.

A cinchona experimental station arising out of Guatemala's efforts to develop in that country a future source of quinine has been established under American technical direction.

The threatened strike by workers of the International Railways was resolved by mutual agreement, the company settling for wage-increase payments said to involve a total of around 340,000 quetzales per annum. The labor difficulties at the Pacific port terminals of San Jose and Champerico were likewise amicably settled between the terminal operators and their employees.

A planning committee appointed by the Provisional President to formulate regulations for transferring registered titles of expropriated Axis properties into the name of the nation was put into motion.

Restrictions were removed against issuance of passports to nationals having outstanding loans with domestic banks and desiring to depart from the country.

Air transport service between Guatemala and El Salvador was greatly improved by the addition of three trips each way per week over Pan American Airways; thus 10 flights in-bound and 10 out-bound a week are available now between these two points.

The Government landing field "Los Cipresses" at Guatemala City was completed, with hangar facilities for 28 planes and necessary repair shops.

The first coins (0.05-quetzal denomination) to be struck by the recently renovated National Mint were put into circulation. The mint's present capacity is reported at 20,000 coins daily.

The rationing of automotive tires and tubes, gasoline, kerosene, and Diesel oil was placed under the direct administration of the War Department, although the import control procedure for these items continues as heretofore.

Plans were begun for the construction by the Crédito Hipotecario of small homes in Guatemala City to cost 1,000 quetzales each for laborers to buy at 5 quetzales to 10 quetzales per month.

Local bakeries were subjected to the control of the municipal authorities in order to guarantee standards of quality and weights of bread. Since Guatemala normally imports around 9,000 metric tons of flour per annum, this measure takes on some significance for United States exporters. Bakery proprietors signed an agreement with the Bread Makers Union before the National Labor Bureau to fix the wage rate for bakery employees and workers.

The Government announced that on September 20 deposits of national funds in the Banco Central amounted to 3,115,633 quetzales, an increase of 573,429 quetzales over July 12.

Exceptionally heavy rains during the last half of September caused considerable damage to transportation facilities in many parts of the southern sections of the country. The railway bridge over the Suchiate River was washed out and traffic over some sections of the main arterial highways, as well as on the railway, was impeded for a time. The effect on the coffee crop as a whole had not been established by the end of the month, but, while losses occurred in certain instances, it is not believed that the damage was significant, since the berries in most of the storm areas were too green to be affected.

Coffee exports during the 1943–44 crop year had by September 30 totaled 830,606 bags of 60 kilograms, of which 687,553 bags had been shipped with import quota rights to the United States.

Honduras

(From the U. S. Embassy, Tegucigalpa)

The high light of recent weeks in Honduras was the inauguration on October 12, 1944, of the Escuela Agrícola Panamericana at Zamorano about 25 miles from Tegucigalpa. Although this event was only a single phase in the development of a project begun several years ago, it marks the official beginning of the school to improve the agriculture of Central America through the training of its farm youth. The school, now virtually completed, has an enrollment of approximately 200 students.

Another important event which took place at the end of September was the completion of the second of the two large bridges on the Honduran section of the Inter-American Highway. This 480-foot span over the Rio Grande, like the one of 250 feet over the nearby Rio Guacirope, is built of steel and concrete. With the completion of these bridges, traffic may move more speedily than formerly between Tegucigalpa and El Salvador, or from the latter country through to Nicaragua. All reports indicate that traffic on this highway continues to increase in volume.

The Consulate in La Ceiba states that according to unconfirmed reports coconut prices are rising in the Bay Islands as they did last year at this time, and it is expected that there will be a renewal of buyer competition to supply the Christmas coconut market of the United States. Present prices are said to be a little over $40 per thousand, and copra production is already decreasing because of the rains.

Interest in the campaign to procure a fire-fighting truck for Tegucigalpa, which is altogether without a fire department or any equipment, was renewed late in September, when the city experienced its second large fire in 6 months. Although no lives were lost in this blaze, the damage was considerable, including destruction of the building containing the National Lottery and several departments of the National University. Before the flames were got under control, a large section of downtown Tegucigalpa was threatened, but was saved principally by its noninflammable tile roofs.

Experiments are now being made which may result in the development of a market for another formerly unutilized product of the Honduran North Coast, the coyole nut. The possibility that this nut may prove a useful source of oil is being investigated by the shortening and soap factory in La Ceiba. It is believed that this nut may be found to be as useful as the formerly unused corozo nut, of which the factory during the last quarter alone purchased 587,740 pounds, valued at $35,264.

Haiti

(From the U. S. Embassy, Port-au-Prince)

The late coffee crop has begun to move into ports very slowly. Shipment of the crop is being held up as exporters hold out for higher prices. Purchases by Swiss buyers at prices substantially above American ceilings have influenced exporters to hold out in anticipation of sales to Europe.

The import trade, depressed until recent weeks, has recovered noticeably as realization grows that the war is not yet over and that goods are not going to be dumped immediately at low prices.

Development of the banana trade, not only by the large American fruit company operating in Haiti, but also by small independent buyers, has had a wholesome effect upon the entire country.

The Government's fiscal year ended on September 30, 1944, with the highest annual revenues since before the depression. Budget estimates place revenues for 1944–45 also at a high level, reflecting confidence in the future.

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News by COUNTRIES

Argentina

Tariffs and Trade Controls

Duty-Free Entry of Gold Restricted.—Authorization issued by the Central Bank of the Argentine Republic is now required by customs authorities for the duty-free importation of gold coins or bars, according to resolution No. 157 of March 20, 1944, which was published in the Boletín de Aduana in April. Exemption from this requirement up to 200 grams of gold is granted persons returning from abroad.

Salicylic Acid: Denaturing Requirement Suspended.—Salicylic acid imported into Argentina under tariff item No. 4273 no longer needs to be denatured, according to terms of decree No. 53 of February 18, 1944, published in the Boletín de la Dirección General de Aduanas for March, provided proof of industrial use is given the customs authorities and the merchandise is imported in containers of at least 50 kilograms. A surtax of one-half of 1 percent is assessed against such imports.

Labeling Regulations Modified.—Labeling regulations in Argentina for imported products were modified to the extent of permitting the place of origin and in some cases the net contents of the container to appear on a supplemental label rather than on the principal label by decree No. 4004 of February 12, 1944, published in the Boletín Oficial March 1, 1944.

Labeling law No. 11275 of November 10, 1923, established strict requirements for the information to be included on the principal labels. The present decree specifies that when the place of origin appears on a supplemental label it must be plainly visible. Indication of the net contents on the supplemental label will be allowed only when officially approved as to size, appearance, and other related considerations.

Wool and Cotton Textiles: Exportation Suspended.—Exportation of all textile goods manufactured of wool, cotton, or a mixture of the two was suspended temporarily by decree No. 19983 issued by the National Rationing Council of Argentina on July 28, 1944. The Council has been instructed to investigate costs of production, domestic needs, productive capacity, and possible quotas for future export, as well as to determine maximum prices for textile articles in the domestic market. Thereafter, the Council is to establish quotas for local requirements.

Exceptions to the foregoing export prohibition are: Textiles made principally by hand, machine-made textiles of a complementary character, personal effects within quantities considered reasonable by the customs authorities, and small quantities of finished textiles to be shipped under prior permit to the International Red Cross, prisoners of war, or religious charitable institutions.

Hemp Textiles Subject to Export Permit.—Hemp textiles are exportable from Argentina only after the issuance of a prior permit, according to the terms of decree No. 10925 of April 29, 1944, published in the Boletin Oficial May 5, 1944. Permits are issued only when there is a surplus after domestic requirements are covered. Practically all textiles are now under some form of export control in Argentina.

Export Packing Regulations Adopted.—Regulations for packaging export merchandise in such manner as to insure its safe arrival as well as show the origin of the contents were prescribed in Argentina by decree No. 17673, of July 25, 1944. The decree, which was to become effective 60 days after issuance, specifies that Argentine commercial or consular officials at points of destination are required, in cases of complaint, to examine the merchandise, verify deficiencies of the packing, and report in detail such deficiencies to the proper Argentine export authorities.

The Cover Picture

Swiss City

The big Swiss city here so strikingly pictured is Zurich, with its spacious streets and squares and impressive buildings, its environment of serene lake, richly gardened shores, and snow-crested mountains. Zurich, one needs hardly say, is the most important commercial and manufacturing city in Switzerland; it produces silk, cotton goods, machinery, pianos, paper, soap, numerous other commodities. Why do we publish the picture? Well, it just occurred to us that business with and by Switzerland should be appreciably easier in the future than it has been since 1939, in view of the clearing out of the Nazis from France; merchandise won't have to move by such devious, roundabout routes. FOREIGN COMMERCE WEEKLY hopes, "from this out," to have more facts about such European countries. As a starter, we're going to have an issue next week that will be devoted in large measure to *Sweden*.

Canada

Economic Conditions

GOVERNMENT SETS UP THREE NEW DEPARTMENTS

To implement Canada's post-war reconstruction program, three of the Dominion's public leaders were named by Prime Minister King, on October 13, to head the new Departments of Reconstruction, Veterans' Affairs, and National Health and Welfare. The task of running the Department of Reconstruction has been given to C. D. Howe, Canada's Minister of Munitions and Supply, who will thus hold simultaneously two cabinet posts. Pensions and Health Minister Ian Mackenzie will head the Department of Veterans' Affairs. His present portfolio, however, automatically disappears. Brooke Claxton, parliamentary assistant to the Prime Minister, will be Minister of National Health and Welfare.

The establishment of a Department of Reconstruction was recommended in September 1943 by a special advisory committee on reconstruction and on January 27, 1944, in his speech at the opening of the 1944 session of the Parliament, the Prime Minister requested, in addition, the establishment of the two new departments. The Department of Reconstruction is a temporary branch of government; the others are to be permanent.

The main task of the Department of Reconstruction will be to facilitate the reconversion of wartime industry to peacetime or consumer production. Coordination between this Department and the Department of Munitions and Supply will be essential to this transition and post-war program. The disposal of surplus war assets, already under way, will be an important function of the newly created department. Another big job will be the direction and speeding up of the national housing plans to relieve the serious scarcity of low-cost homes, of low-rental units, and of schemes for slum clearance. During the last session of Parliament provision was made through legislation for financial assistance on the housing program amounting to more than $200,000,000. Because of this financial aid, cooperation between the Minister of Reconstruction and the Minister of Finance will be necessary to the housing scheme.

Another function of the Department of Reconstruction will be the planning and coordination of public works and development to provide employment on a

flexible basis to fill gaps in private industry. In this respect the Minister of Reconstruction will work in close cooperation with other departments and bureaus, particularly public works, transport, mines and resources, agriculture and fisheries. The responsibility of civil aviation will also center in the Department of Reconstruction.

The Department of Veterans' Affairs will administer all measures relating to the care, hospitalization and reestablishment in civil life of the members of Canada's armed forces. The department will also administer, the pensions of veterans and their dependents, the Veterans' Land Act, the Veterans' Insurance Act, and the reestablishment of veterans credits provided at the recent session of Parliament through the War Service Grants Act.

In describing the functions of this Department, the Prime Minister reiterated his recent assurances that the highest possible priorities had been given, both for labor and building materials, in the construction of hospitals for servicemen and veterans. He stated that the Department of Veterans' Affairs and all other departments concerned had been directed to push forward the construction of hospitals with all possible speed.

The Department of National Health and Welfare will administer the functions of the former health branch of the Department of Pensions and National Health, including the Food and Drugs Act, the Opium and Narcotic Drugs Act, and the National Physical Fitness Act. It will also continue the expanding work in the field of nutrition. It will organize and administer the machinery of the recently passed Family Allowances Act, which will become effective on July 1, 1945, and will assume the nation-wide health insurance when, and if, the necessary legislation is enacted by Parliament.

Ceylon

Tariffs and Trade Controls

General Increase in Import Duties.—Effective July 20, 1944, import duties in Ceylon were generally increased by the imposition of a 10 percent ad valorem customs surcharge on all but a few commodities and by specific increases of import duties on more than 90 categories of goods.

Increases may be summarized as follows: Specific increases have been imposed on 21 categories of goods; on 71 other categories, the 10 percent surcharge has been added in addition to specific increases of customs duty; and on 49 categories of goods there has been no increase in duty. (Of the latter 39 are basic commodities and 10 are manufactured articles.) All classes of goods not included in the 3 groups mentioned are subject to the 10 percent customs surcharge.

In no case has the difference between the preferential rates (accorded to goods of British Empire origin) and the general rates (applying to goods from non-Empire areas) of the tariff been altered. It has been stated that the surcharge is intended to be a temporary wartime measure while the specific increases are of a more permanent character. The additional revenue is to be credited to a National Development Reserve, a fund already created out of budget surpluses for post-war development.

Among the commodities on which duties have not been increased and which are exempt from the surcharge are: Cereal foods; processed cinema film (other than educational); electric motors, transformers, and converters; electric goods and apparatus (with certain exceptions); apples and grapes; lubricating oil; cranes, hoists, lifting and pumping machinery; iron and steel drums and tanks (except drums for oil); automotive vehicles and tractors, other than Diesel-engined (including engine and chassis); paints and painters' colors; pork products; and spare parts for automotive vehicles and tractors (except magnetos, splash-proof accumulators, and tires and tubes).

Tires and tubes are subject to both an increase of duty and the surcharge. the duty, formerly 15 percent ad valorem, is now 35 percent ad valorem.

Chile

Tariffs and Trade Controls

Cement: Imports Exempted From Import Duties and Other Taxes for 1 Year.—Law No. 7842, published in the Diario Oficial of Chile of September 16, 1944, exempts cement of foreign origin from the payment of import duties, statistical, storage, and other fees, as well as the import tax of 8 percent and the tax of 1 peso per barrel of 170 kilograms. The law is to remain in force for a period of 1 year from its publication in the Diario Oficial, but the President is authorized to suspend the exemption before the end of that period should conditions make such action expedient. The exemptions are also applied to the cement imported since 1943 by the Caja Nacional de Empleados Públicos y Periodistas (National Institute of Public Employees and Journalists) up to a total of 10,000 tons.

[For previous reference to this bill see FOREIGN COMMERCE WEEKLY of September 2, 1944.]

Transport and Communication

New Air Schedules.—Beginning September 1, planes of Chili's National Air Line were scheduled to leave Santiago for cities to the north as follows: Daily to Antofagasta and Iquique; daily, except Sunday, to Copiapo, Vallenar, La Serena, and Ovalle; thrice weekly to Taltal; four times weekly to Tocopilla, and five times weekly to Arica.

It was announced in the Chilean press that beginning October 17 the National Air Line would operate express planes between Santiago and Puerto Montt

Pertinent Comments on World Economy Today

[Being one of a series of excerpts from books, pamphlets, and speeches]

This Hemisphere's Economic Position As "a Completely Going Concern"

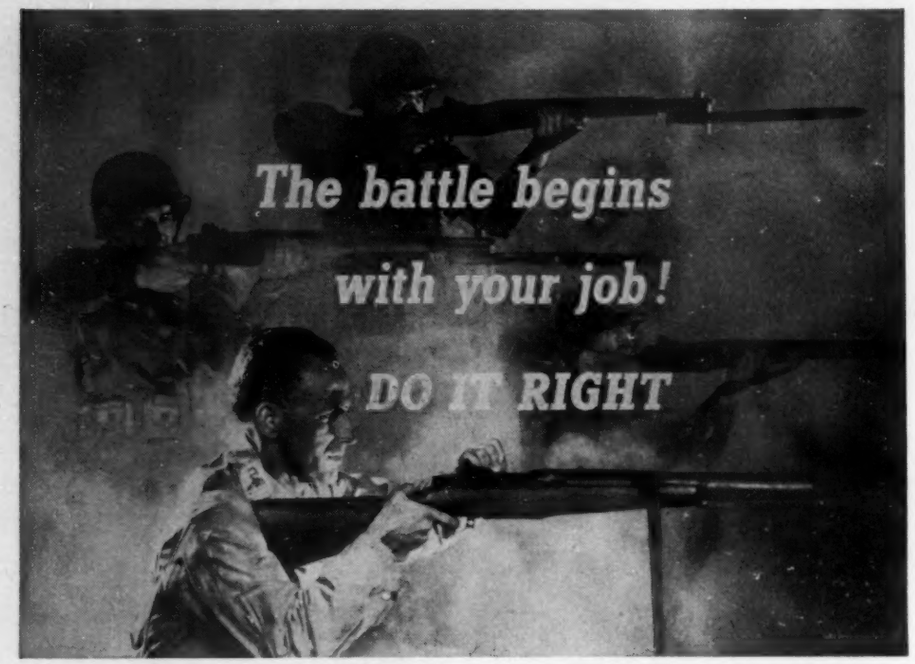
To anticipate or plan at all intelligently, we have to count noses, and see what each nation is capable of doing quickly, in order to make the world a going, peaceful concern.

By any standard of comparison, this Hemisphere will emerge in the best position of produce quickly and abundantly both goods and the means of production. In addition, it will possess the greatest pool of transportation, for land, sea, or air, plus again the means of producing such transportation. We will likewise have more to eat, more beds to sleep in, more roofs over our heads. None of these things will be perfect, but, comparatively, anyone living in the Western Hemisphere will be indeed blessed. There are other areas which have as yet been spared the physical destruction of this war—parts of every area miraculously have escaped bombing and shelling, but almost nowhere else will you find a completely going concern.

I have referred purposely to this Hemisphere rather than to the United States of America alone, because the integrated production which has served the war machines of all the United Nations was possible only because the raw materials, the transportation, and the industrial capacity of practically every corner of the New World were mobilized against our common enemies. When historians of the future mull over the many reasons for victory and defeat, you may be sure that they will lay great emphasis on the fact that the other nations of this Hemisphere were able to produce essential raw materials, and that the Merchant Marine, protected by surface and air forces, was able to deliver these vital raw materials to waiting production facilities.

As with everyone else, our losses will be great—our wonderful young men and young women, the ships and planes and tanks that they built and manned, our oil, our mineral resources—shipping men know how much has been delivered, how much in earlier days failed to reach its destination. Nevertheless, this Hemisphere, which, in war, produced and transported the supplies and tools for victory, will be in a similar position to produce and transport the supplies and tools for peace, reconstruction, and development.

(From the recent address by Wayne Chatfield Taylor, Under Secretary of Commerce, before the American Merchant Marine Conference in conjunction with the Propeller Club of the United States.)



once a week and a regular service twice weekly between Santiago and Concepcion with a stop-over at the southern city of Cauquenes.

Colombia

Transport and Communication

Railway Construction. — Work has started on a railway line to connect Armenia and Ibague, Colombia. This will supply complete rail service between Bogota and Buenaventura.

Some consideration has been given to the construction of a railway line from Popayan to Pasto inasmuch as Pasto is at present without rail connections.

Highway Construction.—Construction of a highway from Popayan, Colombia, to Guapi was announced in October, A road is being pushed through on a route between Buga and Buenaventura, but is not suitable as yet for heavy traffic.

The situation of the highway from Cali to Buenaventura remains practically unchanged; although this highway was opened officially in January of this year, it is not available at this time for commercial traffic.

Airport construction.—The airport under construction some 12 miles from Cali, Colombia, for the use of Aerovías Nacionales de Colombia (Avianca) is expected to be completed and ready for use in January 1945. There has been some discussion over building a municipal landing field at Cali, possibly at Jamundi where the flying school is now located. The directors of this new flying school—Aeroclub Colombiana—have been granted a charter to fly passengers between cities in western Colombia from Ipiales to Medellin.

In the third quarter of this year there was considerable activity affecting air transportation in the Cali area. Two air lines were formed, tentatively, and four small airports reached the project stage. On September 13, documents were signed forming a company to be known as Aerovías Mundo, located in Cali. The charter states that the firm will exploit both domestic and foreign aviation. It is understood that the company is interested principally in feeder lines within Colombia utilizing landing fields now under construction.

Airports are being planned at the cities of Manizales, Pereira, Armenia, Pasto, and possibly at Tulua, Buga, or Bugalagrande. Since Manizales has already received Government aid, land has been contracted for at a place known as Santa Agueda. Manizales is located on very mountainous terrain, and it was necessary to go some distance from the city before finding a suitable site. These airports are scheduled to have only minimum landing space for medium-weight planes, and no announcement has been made as to hangars and other facilities.

Ecuador

Tariffs and Trade Controls

Rice: Export Restrictions Further Relaxed.—The percentage of rice that exporters in Ecuador are obliged to deliver to the National Development Bank, will hereafter be fixed periodically by the Minister of Economy, depending on variations in market conditions in the country, according to Executive decree No. 743 of August 9, 1944, published in the Registro Oficial of August 15, 1944. Previously 50 percent of the amount of rice exported was required to be delivered to the National Development Bank, before exportation was permitted.

[See FOREIGN COMMERCE WEEKLY of July 29, 1944, and September 2, 1944, for previous announcements of the export restrictions on rice.]

Beer: Subject to Tax When Imported Into the Canton of Guayaquil.—Foreign and national beer are subject to a tax of 10 centavos per 700 grams, beginning July 1, 1944, when imported into the canton of Guayaquil, Ecuador, under provision of Executive decree No. 581 of August 1, 1944, published August 8, 1944. This decree also provides that all other municipalities may collect a tax of equal amount on beer imported for consumption in their respective jurisdictions, beginning July 15, 1944.

French Cameroun

Tariffs and Trade Controls

Imported Wine Casks Exempted From Export Sales Tax Upon Reexportation.—Wooden casks which contained wines upon importation into French Cameroun may be reexported empty without payment of the export sales tax, if reexported within 6 months from the date of importation of the filled casks, by an order of July 19, 1944, published in the Journal Officiel of French Cameroun of August 1.

French Equatorial Africa

Tariffs and Trade Controls

Gum Arabic: Quality, Circulation, Sale, and Exportation Controlled in Tchad.—Standards of quality for gum arabic have been established in the territory of Tchad, French Equatorial Africa, and the circulation, sale, and exportation of this gum placed under control by order No. 1472 of July 14, 1944, published in the Journal Officiel of French Equatorial Africa on August 1.

French North Africa

Exchange and Finance

Requisition of Dollar Holdings in French Morocco.—Foreign exchange and movable goods in foreign countries belonging either to individual French persons, French nationals, or French Moroccan subjects having their habitual residence in French Morocco or to legal entities so far as their establishments in French Morocco are concerned, may be requisitioned for the benefit of the Moroccan Exchange Office by the Director of Finances of French Morocco, according to a dahir of August 31, 1944, published in the Bulletin Officiel of September 8.

An accompanying order of the Director of Finances of September 1, based on this dahir, applies its provisions specifically to holdings of dollars in the United States on account. The physical persons and legal entities specified in the dahir who are the owners of accounts in dollars opened in their name in the

United States or in any other foreign country must give to their correspondents the necessary orders for transferring the available funds in these accounts to the account opened in the United States in the name of the French Moroccan Exchange Office, within a period of 2 months from the publication of this order. In the case of banks, orders must be given by telegram within 2 months. The provisions of the order apply to holdings of depositors, as well as to the holdings of the banks themselves, but in the case of depositors' holdings the bank is authorized to convert the dollar accounts into the equivalent francs. As soon as the French Moroccan Exchange Office is notified by its correspondent in the United States of the execution of the transfer in its favor, it will credit the assignor with the counter value in francs at the rate of exchange in effect on the date of the publication of this order. (The rate of exchange is 50 francs to the dollar.)

Tariffs and Trade Controls

Wines: Price-Equalization Taxes Fixed in Algeria.—Price-equalization taxes on certain wines have been fixed in Algeria, effective from July 15, 1944, by an order of July 18, published in the Journal Officiel of Algeria on July 25.

These taxes consist of (1) a tax of 10 francs per hectoliter on all wines for domestic consumption and (2) an export tax of 100 francs per hectoliter on mistelles, liqueur wines, and aperitifs with a base of wine.

Alcoholic Beverages: Surtax on Special Consumption Tax Established in French Morocco.—The special consumption tax on specified imported and domestic alcoholic beverages, which had been established in the French Zone of Morocco by a vizierial order of March 23, 1943, was increased by a surtax of one-half of the tax, for the benefit of municipal budgets, by a vizierial order of August 5, 1944, published in the Bulletin Officiel of August 18.

[The special consumption tax had been fixed at 4 francs per liter on liqueur wines, mistelles, and aperitifs with a base of wine or alcohol, and at 8 francs per liter on brandy and certain other spirits, as announced in FOREIGN COMMERCE WEEKLY of June 19, 1943.]

French Togoland

Tariffs and Trade Controls

French Togoland Placed Temporarily Under Customs Regime of French West Africa.—The territory of French Togoland was made subject temporarily to the schedules of fiscal import and export duties in force in French West Africa, by order No. 4046 A. P. of November 26, 1943, promulgating a decree of November 3 of the French Committee of National Liberation, and published in the Journal Officiel of French West Africa on December 4, 1943 (just received).

This assimilation was to end automatically when the import surtax on foreign (non-French) goods, which had been suspended temporarily, should be reestablished in French West Africa.

[This import surtax had been suspended for a period of 6 months beginning October 23, 1943, and later extended for an additional 6 months beginning April 21, 1944. See FOREIGN COMMERCE WEEKLY of October 21, 1944.]

French West Africa

Tariffs and Trade Controls

Shelled Peanuts, Palm Kernels, and Coffee: Export Duties Reduced.—Export duties on shelled peanuts, palm kernels, and coffee were reduced in French West Africa by order No. 4342 A. P. of December 30, 1943, promulgating a decree of December 6, and published in the Journal Officiel of French West Africa on January 1, 1944 (just received).

The new rates are as follows (former rates in parenthesis): Shelled peanuts, exported from Niger to Nigeria, exempt (14 percent ad valorem), other, 10 (14) percent ad valorem; palm kernels, coming from the forest region of French Guinea and exported through specified customs posts, exempt (14 percent ad valorem), other, 10 (14) percent ad valorem; coffee in the bean or husk, roasted, ground, or otherwise prepared, 6 percent ad valorem (2.70 francs per net kilogram).

Authority to Impose Octroi-de-Mer Duties Amended.—Law No. 230 of January 8, 1942, which gave the Governor General of French West Africa the authority formerly belonging to the Colonial Council of Senegal to establish octroi-de-mer duties, was abrogated by a decree of December 2, 1943, of the French Committee of National Liberation, promulgated in French West Africa by order No. 4256 A. P. of December 17 and published in the Journal Officiel of that colony on December 18, 1943 (just received).

[See FOREIGN COMMERCE WEEKLY of October 24, 1942, for announcement of law No. 230, and of September 30, 1944, for announcement of abolition of octroi-de-mer duties in French West Africa on November 7, 1942.]

Termination of "Combined Agency for Middle East Supplies"

The formal termination on October 1, 1944, of the Combined Agency for Middle East Supplies, which was established by and operated under the jurisdiction of American and British authorities in Washington, was announced jointly on October 16 by the Department of State, the Foreign Economic Administration, and the British Supply Council. The licensing of exports and issuance of shipping documents for Middle Eastern destinations, formerly exercised by the Combined Agency, were assumed as of October 1 by the Foreign Economic Administration.

The Combined Agency for Middle East Supplies was established in October 1943 to administer the Program License for the Middle East, which was issued on October 1, 1943, by the Foreign Economic Administration. Its Washington office was concerned principally with the granting of release certificates under the Program License, while its New York office, located at 43 Exchange Place, was responsible for the issuance of shipping authorizations covering shipments to the Middle East. The Combined Agency was staffed with both American and British personnel, and conducted its operations under the jurisdiction of American and British authorities in Washington in the implementation of decisions of the Middle East Supply Center insofar as they related to shipments from the United States.

As of September 30, 1944, the Program License for the Middle East was revoked by FEA and the responsibility of the Combined Agency, so far as export licensing procedure was concerned, reverted to the Foreign Economic Administration. Export licenses for Middle East destinations have been issued since October 1, 1944, by FEA, and applications should be filed with the FEA Requirements and Supply Branch, Washington, D. C. The Middle East Division, FEA Bureau of Areas, will occupy offices formerly used by the Combined Agency, in the Hill Building, 839 Seventeenth Street NW., Washington, D. C., and it has been agreed by the appropriate American-British authorities that for the sake of uniformity of procedure the New York office of the Combined Agency should be transferred to and its functions assumed by the New York office of FEA, 61 Broadway.

It is emphasized that the change was of routine importance only and that the elimination of the Combined Agency would have no effect on existing controls over imports into Middle Eastern countries, or on the basic arrangement for joint Anglo-American administration of the Middle East supply program.

Export licenses and shipping authorizations will be granted as before only after a valid import license has been secured in the Middle East country of destination and approved by the Middle East Supply Center, an Anglo-American Agency in Cairo whose American membership is provided by both the Department of State and the Foreign Economic Administration.

The principal American representative in the Middle East Supply Center is James M. Landis, American Director of Economic Operations in the Middle East, who has recently left for Cairo after several weeks of consultation in Washington.

Air Service From Belgium to Congo Reestablished

The Belgian Ministry of Information announces:

"Before the war there was an air service between Belgium and the Congo which placed the Belgian colony within a few days' journey of the homeland. That direct means of communication was of the greatest service because of its rapidity and its frequency. It was natural, therefore, that the Belgian Government should make every effort to secure the reopening of this airway as soon as possible.

"Its reestablishment is now an accomplished fact, and we are able to announce that the line will be put into operation immediately. The service will be a monthly one, and its itinerary will be as follows: England, Lisbon, Casablanca, Aloueff, Gao, Lagos, Libreville, Pointe-Noir, Leopoldville. A Lockheed 18 Lodestar, carrying up to 18 passengers, will be used, and it will also carry mail."

Guatemala

Tariffs and Trade Controls

Import Duty Reduced on Powdered Milk Mixed with Other Substances and Classification of Lubricating Ooils Modified.—The Guatemalan import duty on powdered milk mixed with other unspecified substances has been reduced from 0.30 to 0.20 quetzal per gross kilogram, by an Executive decree of September 6, 1944, published September 16, 1944, and effective 8 days thereafter.

Under provisions of the same decree, unspecified lubricating oils, including both ordinary and refined oils, are now combined into a single classification and made dutiable at 0.08 quetzal per gross kilogram. Formerly, ordinary lubricating oils were dutiable at 0.07 quetzal and refined or purified lubricating oils at 0.10 quetzal per gross kilogram. Mineral lubricating oils, without color, odor, or taste, are classified as paraffin and vaseline and become dutiable at 0.15 quetzal per gross kilogram, instead of 0.10 quetzal as heretofore.

Mauritius

Tariffs and Trade Controls

New Exchange Rates for Duty Purposes Announced.—The colony of Mauritius established new fixed rates of exchange for the purpose of levying ad valorem duties on imports from countries having a different currency from the legal currency of the colony.

By proclamation of the Governor, published in the Government Gazette of June 17, 1944, the equivalent of the United States dollar is 3 rupees and 31 (Mauritian) cents. The pound sterling remained at 13 rupees and 33 (Mauritian) cents, but the Argentine paper peso dropped from 1 rupee to 80 (Mauritian) cents. Slight decline also occurred in the franc (used in Madagascar and Reunion) and the Spanish peseta.

Proclamation No. 4 of January 25, 1943, giving previous rates, was revoked.

Mexico

Tariffs and Trade Controls

Official Standards for Domestically Milled Wheat Flour Established.—Wheat flour milled in Mexico will be required to meet official standards which were promulgated September 6, 1944, in accordance with an Executive resolution of August 24, 1943. These standards require that only 70 percent of healthy wheat grains be extracted in making wheat flour, and that the remaining 30 percent be considered as byproducts. They divide the types of flour into baking and nonbaking, and further subdivide these into three grades, which must fulfill prescribed conditions regarding moisture, ash, and protein content. Only wheat flour meeting these standards will be purchased by dependencies of the Mexican Federal Government.

Untanned Hides and Skins Made Subject to Import Control.—Imports into Mexico of untanned hides and skins have been made subject to import control, by a Treasury circular, published in the Diario Oficial and effective as of September 29, 1944. This action was taken under previous authorization granted the Ministry of Finance, hog lard being the only other product so restricted.

[For announcements of the basic authorization to the Ministry of Finance to impose import control and the control established on hog lard, see FOREIGN COMMERCE WEEKLY of June 3 and August 12, 1944.]

Transport and Communication

New Air Service.—The Mexican transcontinental line, Aero-Transportes, S. A., opened a new line on September 21 from Tampico to Mazatlan, via San Luis Potosi, Aguascalientes, Guadalajara, and Tepic.

This service was to be twice weekly until October 10, and upon receipt of another plane, services were to be stepped up to three times a week each way. Connections for the north-bound branch of the company are to be made at San Luis Potosi, where the Líneas Aereas Mineras, S. A., connects on the south for Mexico City. Connections can be made with the Cia. Mexicana de Aviación, S. A., at Tampico and Guadalajara.

New Zealand

Tariffs and Trade Controls

Import Licensing Schedule for 1945 Announced.—The schedule of allocations for licenses to import goods into New Zealand under the import control regulations during the ninth licensing period (calendar year 1945) embodies no material changes, according to the Minister of Customs. He stated that the granting of licenses had been facilitated through the replacement of a considerable number of "Control" items (those for which applications are considered individually in relation to actual requirements) by basic allocations.

In announcing the 1945 schedule, the Minister of Customs said that in view of the increased calls which will be made on oversea funds in the immediate postwar period, particularly for essential requirements of industry in the form of raw materials and replacements and additions to plant, there is no alternative but to conserve those funds, and in the meantime, therefore, no general relaxation of the limitation applied to imports of certain classes of goods can be expected.

The principal new features of the 1945 schedule are as follows:

(1) Special regulations governing imports:
a. From Canada;
b. Of medical, dental, and X-ray supplies, including drugs for therapeutic use (both human and animal);
c. Of textiles.
(2) Omission of special regulations governing imports from the United States.
(3) An increase in the number of items classified as "deferred" through the relinquishing by the New Zealand Ministry of Supply of responsibility for arranging for imports of a wide range of products.

It was stated that the goods imported from Canada in 1945, on the basis of information available would come within the scope of the Canadian-New Zealand Mutual Aid Agreement, had been classified as MS (goods the importation of which is arranged by the Ministry of Supply). According to the Minister of Customs, the reason for this is that the Canadian Government has determined that any imports to which the agreement applies must be arranged for on a government-to-government basis.

Contrary to the schedule for 1944, the new schedule contains no special regulation governing imports from the United States. The 1944 schedule provided that all applications for licenses to import from the United States had to be reviewed in relation to the United States export program procedure.

A wide variety of textiles classified as "control" items in the 1944 schedule have been given straight-out allocations in the new schedule totaling 150 percent of the value of 1938 imports from all sources, or 100 percent of the value of imports from the United Kingdom in 1940, whichever is the greater.

Items marked "deferred" in the schedule are those for which it is not possible at present to indicate the allocation. These items include certain foodstuffs, supplies of which are subject to control and allocation overseas, also medical supplies which are subject to programming. The allocation decided upon for such items will be announced in due course by the Minister of Customs.

Of the 927 tariff item entries in the 1945 schedule, almost 40 percent are in the "D" group, which means that they are items for which no allocation whatever is made

Many of the products which may be imported from the United States and Canada must be obtained through the Ministry of Supply. If imported from other countries, they fall in the "control" group. Cardboard, pasteboard, emery paper, and emery cloth, are examples of this.

Artificers' tools, n. e. i., have been given a special classification which permits importation from Australia up to 100 percent of the value of imports from that country in 1941. Imports from other sources are governed by the regulations pertaining to the products included in the MS group. In 1944, artificers' tools, n. e. i., were in the MS group regardless of country of origin. Other items in the MS group in 1944 and for which applications for import licenses in 1945 will be considered individually in relation to actual requirements ("control" group) include: Machinery peculiar to use in manufacturing, industrial and similar processes; sheet metal, perforated or cellular; pipes and other items of wrought iron, or steel, screwed; boiler tubes and similar items (excluding nonferrous); flashlight cases; hog bristles; and surgical gut.

The Minister of Customs said that in view of the delays still being experienced in having oversea orders filled, 1944 licenses have been extended through June 30, 1945. This extension does not apply to 1944 licenses "issued in substitution of seventh period (1943) licenses or to seventh period licenses extended to the eighth period, these being valid for imports up to December 31, 1944, only."

The extension of 1944 licenses is to apply only to firm orders placed oversea prior to November 1, 1944, "that is, in sufficient time to have enabled the goods, if shipped, to arrive in the Dominion prior to the original date of expiry of the license, namely, December 31, 1944. Goods not ordered prior to November 1, 1944, which arrive after December 31, 1944, will require to be entered under 1945 licenses."

New Investment in Bogota Hits Peak

A report recently published by the Bogota Chamber of Commerce indicates that new investment in industrial and commercial enterprises in Colombia's capital city reached the record level of 42,400,000 pesos in 1943, exceeding by 4,400,000 pesos the figure for 1942. Investment in new enterprises, in 1943, however, accounted for only 18,600,000 pesos, or 44 percent of the total, as compared with 20,500,000 pesos, or 54 percent of total new investment, in 1942.

Of the 320 new enterprises which were established in 1943 in Bogota, 176, with a total capital of 13,500,000 pesos, were characterized as industrial; the remaining 144, representing a total investment of 5,100,000 pesos, were commercial companies. Approximately the same distribution between industrial and commercial activities was recorded for new firms established in 1942.

In addition, the Chamber of Commerce reports that 14 new foreign firms were registered in 1943 in Bogota, including 7 petroleum companies and 2 motion-picture firms, the latter being subsidiaries of U. S. companies. Other foreign concerns were an Ecuadoran chemical manufacturing company, a lumber company (apparently Panamanian), a cement company (apparently Venezuelan), a gold-dredging firm, and an establishment to deal in chicle (the last two apparently of United States nationality).

Nicaragua

Tariffs and Trade Controls

Penicillin Exempted From Import Duty.—Penicillin has been exempted from import duty effective as of August 22, 1944, by Nicaraguan administrative circular No. 285, published September 2, 1944. Formerly, it was dutiable at 41.25 percent ad valorem.

Norway

Economic Conditions

Prices of Consumers' Goods More Than Twice Pre-war Level.—Despite the German order freezing Norwegian prices and wages at the level prevailing at the time of the invasion in April 1940, the Norwegian press abroad estimates that for some 69 essential items of consumers' goods present prices in Norway show an average increase, above the price level of 1938, of 122 percent.

Prominent examples of price increases include: small herring, from 0.10 to 1.20 crowns per kilogram; eggs, from 1.50 to 3.85 crowns; dried peas, from 0.60 to 1.84 crowns; sugar, from 0.71 to 1.89 crowns. For meats, which are practically unobtainable by the ordinary consumer, inasmuch as distribution is largely to those employed in the German interest, increases were much less. For various garments, increases range from 75 percent for men's trousers to 246 percent for dress shirts.

Peru

Tariffs and Trade Controls

Gold and Silver Articles: Marking Requirements on Handicrafts.—All handmade gold or silver objects of Peruvian origin must bear the legend "Hecho a mano" (made by hand) or simply "A mano" (by hand) either engraved upon them or printed on container labels or wrappings, according to a supreme resolution dated September 22, 1944.

New FEA "Procedures Advisory Committee on Exports"

The new Foreign Economic Administration Procedures Advisory Committee on Exports, which held its first meeting 2 weeks ago, is composed of members of the export trade in Boston, New York, Philadelphia, Chicago, New Orleans, and San Francisco. The committee is thus drawn from widely separated foreign-trade centers reflecting various points of view on procedural matters.

Discussion at the recent meeting centered around questions involving—

Procedures for exports to the Middle East;

Changes in the Comprehensive Exports Schedule;

Effects of new developments in the shipping permit system;

Use of "blanket" licenses;

The new mechanism for export to countries formerly subject to release certificates against program licensing; and

The type of modification in procedures that can be effected on the conclusion of hostilities in Europe.

The members of the committee and their business connections follow: W. H. Lukens, export manager, R. M. Hollingshead Corporation, Camden, N. J.; E. W. Burt, supervisor, Export Licensing and Priority Department, Westinghouse Electric International Co., New York City; E. E. Baird, export manager, Ernest E. Baird & Co., Chicago, Ill.; A. G. Ensenat, general manager, Hemisphere Trading Co., Inc., New Orleans, La.; J. R. Payden, Union Carbide & Carbon Corporation, New York City; Donald J. Moore, Donald J. Moore Co., Boston, Mass.; D. Polak, Polak, Winter & Co., San Francisco, Calif.; Albert Swerling, secretary, Muller & Phipps (Asia), Ltd., New York City.

Spain

Transport and Communication

Radio Placed Under Centralized Control.—All Spanish radio stations were placed under the control of the Vice Secretariat of Popular Education by a decree published in the Official Bulletin of August 9, 1944.

This agency is given authority over all questions relating to radio broadcasting, whether "political, judicial, technical, economic, or administrative," including the issuance of licenses for individual receiving sets and the installation of new transmitting stations.

Radio Technical Council Established.—A Technical Council of Telecommuni-

U. S. Presses for East Indies Publishing Industry

American printing presses and equipment are playing an important role in paving the way for the post-war rehabilitation of the newspaper and publishing industries of the East Indies. When Java was overrun by the Japanese, a large shipment of equipment originally destined for the Indies was sent to Australia. The machines were installed in the Netherlands Information Printing Plant at Melbourne, according to Aneta, Netherlands News Agency. Matrices for intertypes equipped with English and Dutch keyboards were flown from the United States.

The government printing plant fulfils the dual task of turning out all official publications and of training personnel for post-war jobs in the Netherlands Indies. The plant is headed by Nikolaas Metzelaar, former managing director of the Dutch-language daily De Javabode in Batavia and the printing house De Unie, which published the paper. The majority of his staff is made up of men who have had years of printing and operating experience in the East Indies before the invasion. In addition to their routine work, they are training others for future jobs on the islands.

cations was created in Spain by an order published in the Official Bulletin of August 12, 1944.

This council, made up of representatives of various ministries, is to act in an advisory capacity, "in a purely technical aspect," on plans and projects, standards and methods, and in general on anything that refers to the activities of the Technical Telecommunications Services.

Sweden

Transport and Communication

Merchant Fleet Replacement Program.—If Sweden continues the replacement program of its merchant fleet, war losses will be covered within 2 years, states the European press. The Swedish merchant fleet has lost about 40 percent of the tonnage possessed at the beginning of the war, yet a considerable part of these losses has been replaced. In 1943, for the first time during the war, Sweden added 26,000 tons net (replacements minus losses).

Sweden's shipbuilding since 1925 has been considerably larger than its share (about 2 or 3 percent) in the world's mercantile fleet. Production was as high as 14.5 percent (in 1940). Additional slips, it is claimed, are not necessary inasmuch as the capacity of the shipyards is approximately twice present requirements. This building capacity has been reserved exclusively for Swedish shipowners.

Turkey

Transport and Communication

Railway Construction.—Work has started in Turkey on the 99-mile railway to extend from Narli (on the Fevzipasa-Malatia Railway) via Gaziantep, Nizip, and Birecik to Kardanis, states the European press. This latter point is on the South Turkish Railway which supplies an important link to Baghdad. A branch to connect Gaziantep with Kilis is considered. The proposed railway in southern Anatolia is intended to provide a cutoff entirely in Turkey to avoid the Syrian detour to Aleppo of the main Baghdad railway.

Alaska: New Storehouse of Wood Pulp for Export

(Continued from p. 11)

Snettisham, near Juneau, could provide 50,000 horsepower, and an additional 25,000 horsepower could be developed from two other sites in the same locality.

The average power site has a "hanging" lake in most cases located less than 1½ miles inland and rarely more than 3 miles from tidewater. These lakes, sometimes at an altitude of more than 500 feet, can be made to provide adequate storage space either by building a dam across the outlet or by "tapping" the lake below the surface.

Transportation Facilities

The ease with which Tongass National Forest can be serviced by every variety of water transportation is a strong incentive for the successful development of a pulp and paper industry there. The intricate inland waterways are well protected and permit the use of small motored cabin boats, tugs with barges, and flat scows and numerous other small craft.

Pulpwood could in most cases be logged directly into tidewater, using in tandem two or three donkey engines and wire rope, and towed from logging areas to the pulp mill in the form of flat rafts.

Floating logging camps, easily moved from one area to another, permit low housing costs compared with the conventional stationary kind.

There are no direct rail or highway connections between southeastern Alaska and the mainland of the United States, but year-round steamship service through the Inside Passage to Puget Sound ports is maintained. Prince Rupert, British Columbia, the Pacific terminus of the Canadian National Railways, is only 50 miles from the southern boundary of the Archipelago. A railroad-car ferry or barge service between Prince Rupert and Alaskan ports could probably be established, permitting the movement of pulp and paper to the Middle West. The Gulf and Atlantic States could be reached by shipments through the Panama Canal.

Local Inhabitants Are Eager

The 25,000 local inhabitants of the Alaska Archipelago are eager to see the establishment of a permanent pulp and paper industry there. It would mean, for them, stabilization of employment such as they have never before known. Fishing, a decidedly seasonal occupation, has been their chief industry, while, to date, mining has offered the only year-round opportunity for employment. A pulp and paper industry in Alaska would give sustained employment in the manufacturing phases to hundreds of workers, while almost year-round woods work would be available for many more.

Inescapable "Fly in Ointment"

The establishment of a pulp and paper industry in Alaska cannot be done in a small way. It will require investments of millions of dollars per plant. In addition to the plants, large repair shops would have to be built because shipment of machinery to the continent for servicing would be too costly in both time and money. Housing and commercial facilities would have to be installed, and roadbuilding and other construction work would be required before any plant could go into operation. Food would have to be shipped in from the continent.

Labor is a problem that must not be underestimated. It may be necessary to recruit skilled workers in the United States, and the wage differential between the two places would be a handicap.

Conclusion

In conclusion, Alaska presents a promising outlook for the further development of United States production of pulp and paper of various kinds and offers an opportunity for expansion of United States world trade. The increased productivity of the southern States, chiefly in sulphate pulp products, cannot possibly cope with the additional markets which will be available to United States pulp and paper manufacturers. It seems logical, therefore, to look to Alaska for a solution to the problem of permanently increasing the United States output of high-grade wood pulp and paper.

South African Boots for Paratroopers

Military boots of South African manufacture are finding service with the Allied paratroops in France, states a foreign publication. These are said to withstand the hard wear they must receive, and also to have been successfully tried out in skiing operations. Every effort is being made by South African manufacturers to make more of these boots available for ski paratroops.

Aviation in Uruguay

(Continued from p. 15)

six weekly services in both directions between Rio de Janeiro and Buenos Aires, with stops at Sao Paulo, Porto Alegre, and Montevideo. This service was made possible by the recent improvements to the Melilla airport (Montevideo).

Serviços Aéreos Cruzeiro

Cruzeiro is authorized to fly over Uruguayan territory between Buenos Aires and Rio de Janeiro. The route of this twice-weekly flight is Rio de Janeiro, Porto Alegre (Brazil), and Buenos Aires and return. A stop at Montevideo has been authorized by the Government of Uruguay but has not been inaugurated. Cruzeiro's planes on this run are the only four-engined planes in use by a Latin-American-owned air line.

"Varig"

An effective complement to the railway service between Uruguay and Brazil is the Empresa de Viaçáo Aerea Rio Grandense, organized in May 1927. Services are twice weekly on an air route of 400 miles, extending from Porto Alegre to Montevideo with stops at Pelotas and Jaguarao (Brazil). In Uruguay, Varig has 221 unduplicated route miles over which 884 miles are scheduled to be flown weekly.

Compañía Aeronáutica Uruguaya

"Causa" (as this line is called) started operations as early as 1938 to connect Buenos Aires and Montevideo. Flying boats of Causa supply six round trips each week between the two capitals. Between Buenos Aires and Colonia (Uruguay) the air trip requires but 15 minutes, and flights are made six times weekly in both directions. From Colonia, bus services supply transportation over a concrete highway to Montevideo in slightly over 3 hours.

Colonia is one of the most important ports on the Rio de la Plata, handling merchandise and agricultural products for oversea shipment and river traffic from the surrounding agricultural and cattle country. The city is situated on a promontory extending into the Rio de la Plata and is opposite Buenos Aires. Ferry services connect Colonia and Buenos Aires.

Causa offers week-end services in the summer season from January 15 to March 15 between Buenos Aires, Montevideo, and Punta del Este, a Uruguayan beach resort. This is a flight of 40 minutes; planes leave Montevideo Saturday afternoon and return Monday morning.

Vision for Tomorrow

A special commission was organized early this year to study transportation facilities in Montevideo, and other similar studies are being conducted for the nation. With a comprehensive international network of air lines converging at Montevideo, with fine highways and railways, as well as steamer facilities along its extensive coast line and over its inland waterways, Uruguay has an important part to play in the commercial activities of the post-war era.

Natural Gas in Europe

Many European countries are developing natural-gas resources in an attempt to relieve the fuel situation and provide raw materials for industry, states the foreign press. Large quantities of this gas have been encountered in connection with oil exploration, and much of it has been produced with petroleum. Wells that produce only gas have been brought in, however, and general interest in this important source of power is growing.

Ten years ago, Rumania and Poland were the only major natural-gas producers in Europe, it is said; but since that time, Hungary, Austria, Germany, and Italy have been added to the list of reasonably important producers. Exploitation on a smaller scale is being carried out in France, Denmark, Czechoslovakia, "Croatia," and Switzerland.

The main types of gas, found either in connection with petroleum deposits or by itself, are "wet" gas and "dry" gas. Wet gas, with its components of propane, ethane, and methane, is used for production of natural gasoline, and dry gas is utilized chiefly as a fuel. Both types are important sources of chemical base materials for the manufacture of fertilizers, plastics, synthetic rubber, acetylene, methanol, explosives, drugs, and other important products.

The most important natural-gas producer in Europe has been Rumania, the country's chief sources being the oil-producing area and the vast natural-gas deposits in Transylvania. Consistent decrease in production of gas from oil wells has been largely offset by increased output from Transylvania, which is reported to have been 600,000,000 cubic meters in 1943. In the past, much of the Rumanian gas was used to yield gasoline, some 300,000 tons having come from this source in 1937. Under Axis control, natural gas was used rather widely to replace fuel oil and kerosene.

Exploitation of Transylvania's dry gas resources has made remarkable progress in recent years. About 90 percent of the gas, which contains up to 99 percent methane as compared with 60 percent methane produced from oil wells, is used for heating, lighting, cooking, and processing, the remaining part serving as a raw material for industrial purposes. In order that a wider territory may be served by the gas, a 200-mile pipe line is to be built from the fields to Bucharest. Lack of construction materials has held up completion of this project, it is believed.

While ambitious plans have been made for industrial utilization of this gas in Rumania, a wide-scale program has not yet gotten under way. A carbon-black plant has been built, a formaldehyde plant has been started, and it is reported that the gas company has perfected methods for the manufacture of high-grade coke from gas.

Poland is using natural gas both from gas fields and from petroleum wells, and output from the deposits of gas in the Carpathian foothills has more than offset the decrease in that from petroleum wells. In the 10-year period between 1933 and 1943, output of natural gas in Poland is reported to have increased from 470,000,000 to 800,000,000 cubic meters, or 77 percent. Before the war, Polish gas was chiefly used to yield gasoline, but various other uses have since been developed. It has served as household and industrial fuel and has been compressed in cylinders for motors, but so far it apparently has not been utilized in the manufacture of chemicals.

While little information is available concerning Hungary's natural-gas industry, that country must be considered among the more important on the continent. Oil production has increased, which probably means an increase of gas from this source, and much of Transylvania's gas has served in Hungary as a motor fuel and for domestic and industrial heating.

In all probability Austria has produced an increased amount of natural gas from petroleum wells within the past several years, and it is known that there are large accumulations of natural gas at Ober Laa, near Vienna, which under high pressure gave good initial output.

Likewise, the natural-gas industry has been expanded in Italy, particularly in the north. In 1939, some 20,000,000 cubic meters of dry gas were produced, and output by 1942 was reported to be about 100,000,000 cubic meters. While methane gas has been used by the railroads to a certain extent, plans for utilizing compressed cylinder gas in automobiles have not materialized because materials for making the cylinders were not available.

Denmark has developed production of about 4,000,000 cubic meters of natural gas annually, but reserves are not estimated to be of great importance. There is a small-size industry in "Croatia," where existence of natural-gas deposits has been known for some time.

It is believe that many other sources of this important resource exist in the European continent, and that future developments in this direction may be important not only in the fuel world but also in manufacture of chemicals and other related products.

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News by COMMODITIES

Automotive Equipment

Brake-Band Production Started in Sweden

The production of brake bands has been started in Molnlycke, near Goteborg, Sweden, by the Molnlycke bil-och-omnibus A/B (auto and austo-stage company), states the European press.

Experiments and production on a small scale have been conducted since 1935, but not until recently has there been any manufacture on a commercial scale. The shortage of materials is handicapping output, but it is stated that asbestos yarn of Swedish manufacture has been made available.

Beverages

Rum and Beer Production, Dominican Republic

The manufacture of liquor, particularly rum, is one of the oldest industries of the Dominican Republic. The rum is manufactured from sugar alcohol, and it is reported to be of fair quality.

Rum is not distilled in the Dominican Republic. Because of the tax per gallon being levied equally on all distilled spirits regardless of proof, it is cheaper to pay tax on 180-proof alcohol and then make two or three times the quantity of rum.

The Executive Power of the Dominican Republic has authorized an export quota of 150,000 proof gallons of rum in 1944. Rum exports in 1943 amounted to 13,470 quarts, valued at $6,197, compared with 39,028 quarts, valued at $16,467, in 1942.

The brewing of beer has been increasing steadily, replacing United States imported beer and also producing a surplus for export. The beer is carbonated and not aged appreciably, but it has a heavy hop flavor and a relatively high alcoholic content.

Beer exports in 1943 amounted to 405,461 quarts, valued at $133,907, against 49,904 quarts, valued at $12,627, in 1942.

Chemicals

Phosphorous Consumption, Sao Paulo, Brazil

The match industry is the principal consumer of phosphorus in the State of Sao Paulo, Brazil. Demand has fluctuated from year to year. Imports through the port of Santos in 1939 amounted to 2,900 kilograms but rose to 17,754 in 1942; they dropped sharply in 1943, but have been on a relatively larger scale during the first part of 1944. Some phosphorus enters the district by rail from Rio de Janeiro.

Phosphorus is not produced locally and since the cessation of imports from Germany and Japan the United States has become the chief supplier, although some shipments are received from the United Kingdom. Imports have been sufficient to keep a limited match industry in operation.

Canadian Exports

Canada's exports of chemicals during the first 8 months of 1944 amounted to $65,944,000, according to the Dominion Bureau of Statistics. This was an increase of 20 percent over the 1943 figure of $52,706,000 for the corresponding period.

Fertilizer exports totaled $16,511,000 for the 8 months, compared with $11,011,000 for the corresponding period in 1943.

Exports of soda products, amounting to $2,089,000 for the 8-month period, dropped from the total of $2,692,000 for January to August 1943. The acids group also declined, exports amounting to $1,417,000 in the first 8 months of 1944, whereas they totaled $1,941,000 during the corresponding period of 1943.

New Plant Facilities, India

National Chemicals, Ltd., have completed construction of plant facilities at their works at Masulipatam, India, for the manufacture of important textile and other industrial chemicals, a foreign chemical journal reports.

Britain's Fertilizer Output Rising Rapidly

The increase in United Kingdom fertilizer production necessary to meet the greatly expanded agricultural program has been achieved, despite wartime difficulties, says a British chemical magazine. Output of a number of fertilizers, including sulfate of ammonia, agricultural lime, limestone, and basic slag has risen.

In some branches of the industry, expansion still continues, and recent advances have been on a larger scale. In Scotland, lime production has been almost doubled since the early part of 1943—an increase sufficient to meet about two-thirds of the local requirements. Production of basic slag in Scotland also has increased substantially, and progress has been made toward self-sufficiency in this material.

These developments have helped to relieve pressure both on fertilizer stocks in England and on transportation facilities.

Additional heavy chemicals will be included in the company's production, and plans have been made for the manufacture later of a comprehensive range of fine chemicals.

An ammonium sulfate plant wil be established in the State of Travancore, India, a European trade journal reports. It will have a daily capacity of 150 tons.

Almost 50 percent of Travancore's food requirements are produced within the State, and it is estimated that, with the use of ammonium-sulfate fertilizer, rice production per acre can be doubled.

Barbasco Production, Peru

The monthly production of barbasco in the Iquitos district of Peru continues to increase. A minimum of 250 tons of dry root monthly is expected to be ready for down-river shipment by the time the rivers are high.

Considerable quantities of barbasco remain in the small-river areas because of lack of transportation.

Turkey Potential Market for Chilean Nitrate

A potential market for Chilean nitrate may develop in Turkey, according to the foreign press. This fertilizer material is considered especially suitable for farm lands in Anatolia.

A company known as "Atlantik," organized early in 1944, plans to instruct Turkish farmers in the use of chemical fertilizers.

Coal, Coke, and Peat

Mining Developments, Peru

Justification for the development of the Oyon coal deposits, sponsored by the Banco Minero del Peru, has been found in preliminary reports of the value of the deposits. In addition to developing light coke for domestic use by treating bituminous coal dust in special ovens, the Banco Minero is manufacturing a stove designed to burn the coke more advantageously than charcoal. The domestic fuel problem is reported to be solved by this coke and stove, both of which are low in cost.

Ovens are being installed for the production of coke, and a camp for workers has been constructed. Property privileges have been reserved by the State.

To satisfy the coal requirements of the iron and steel industry, the granting of concessions has been suspended in the hydrographic basin of Santa River and in the Province of Huari.

Preliminary prospecting of the Carumas coal deposit in Moquegua have been completed, and exploration is planned to determine its possibilities in relation to the immediate needs of the southern De-

partments. Among other deposits being studied, where good-quality coal is assured, are the deposits of Cocabal, La Limena, Huayday, Rumichaca, Luicho, and Jatunhuasi.

Materials have been ordered for a combustible-solids laboratory, and the installation of a pilot washing plant at each mine and a central plant in each region is receiving consideration.

South African Coal Exports

Coal shipped from the Union of South Africa in the first half of 1944 totaled 2,500,000 tons, states the African press. This represents a sizable increase from the 2,100,000 tons shipped in the 12 months of 1939 and 3,200,000 tons reported for 1943.

Production, U. S. S. R.

The discovery of a large new seam of anthracite coal in the vicinity of Novoshakhtinsk, Rostov Oblast, the Soviet Union, is reported in the Soviet press. Preliminary surveys indicate that the seam extends near the surface for a distance of 35 kilometers. The quality of the seam is reported to be superior to that of Nesvetayev anthracite.

In the reconstruction of coal mines in the Donets Basin, particularly those producing coking coal, the Soviet press calls attention to the need for pumps and electric motors to clear the mines of water. Recruiting labor from collective farms is expected to increase the number of miners in the Donets Basin by the end of the year to double the figure for June.

Experience gained in pumping water from mines having resulted in a faster pace in the resumption of operations, the coal output of Stalinugol Combine, Stalino Oblast, by the end of June 1944 was 17 percent of the pre-war output. Twenty million cubic meters of water were pumped from the 33 restored mines that were in operation at the end of August.

Production increased from 29,000 tons in September 1943, the first month after the liberation from enemy occupation, to 10 percent of the pre-war output by December 1943. To accomplish the goal for the end of 1944 of double the output of July, will require the training and housing of thousands of new workers, the replacing of mechanization lost in enemy occupation, and the discovery of substitutes for timber proppings.

In Voroshilovgrad Oblast, 24 basic coal mines were in the process of reconstruction at the end of August 1944 and 32 of the flooded mines were being drained. Twenty thousand new workers received training in mining occupations in the past year.

A new plant for the production of peat briquets placed in operation at Melchevsk peat fields, Moscow Oblast, will have an annual capacity of 10,000 tons of high-quality briquets, states the Soviet press. Construction during the next 2 years of more than 10 similar plants in a number of oblasts is planned.

Production of lump peat is reported to be ahead of schedule, but output of cut peat is lagging considerably behind the quantity planned.

Having filled the annual quota, peat enterprises of Ryazan Oblast are attempting to produce an additional 20,000 tons before the end of the season.

Construction

Elevator Construction, Chile

New storage elevators were inaugurated in Santiago, Chile, on August 16, according to the Chilean press. Almost 13,000,000 pesos have been spent on this project, and an additional 4,000,000 pesos are needed to complete it. The total capacity of the elevators will eventually reach 200,000 metric quintals of loose wheat and 30,000 metric quintals of bagged wheat.

Construction Activity, Colombia

Building construction in Santander and Santander del Norte, Colombia, proceeded satisfactorily during the third quarter of 1944 despite a lack of building materials. The site is being cleared for a five-story office building (costing 570,000 pesos) in Bucaramanga, and progress is being made on the erection of a large brewery (costing 2,000,000 pesos).

Permits issued during the first 6 months of 1944 in Bucaramanga totaled 196 and called for a floor space of 56,146 square meters, an increase as compared with 178 and 33,758 square meters for the corresponding period of 1943.

Contracts awarded by the National Government recently include an expenditure of 127,000 pesos for schools in Santander and 300,000 pesos for a water system in Barrancabermeja.

Irrigation Project, French Morocco

Barren land in the Beni Amir section of French Morocco is being transformed into good farming land by an irrigation project now under construction. Although only 20,000 hectares are now under cultivation, the original plan calls for the irrigation of 45,000 hectares, and it is thought that eventually 75,000 hectares will be watered.

Plans to build villages for the families working the farms and to make modern farming equipment available have had to be postponed until after the war.

Office Building Planned, Panama

Plans are being made to construct a modern six-story building in Panama to accommodate professional men, medical and dental clinics, and private businessmen. It is thought that the cost will exceed $200,000.

Electrical Machinery and Equipment

New Brazilian Company Being Organized

Brazil's electric-power output will be doubled within a short time, according to a statement made by the Director of the Department of Waters of the National Department of Mineral Production and also a member of the Electric Material Industry Commission. A new company is being organized by the coordinated efforts of the Government and private business to produce hydroelectric and steam turbines, transformers, and also household articles such as refrigerators, radios, and sweepers.

New Hydroelectric Plant Considered in Colombia

A hydroelectric plant to be located on the Paz del Rio in Colombia at a point where the drop is 700 meters is being considered. Although the plant will eventually be capable of producing 60,000 kilowatts, only 20,000 kilowatts are to be developed at the present time. About 5,000 kilowatts of this latter figure may be distributed throughout the Department of Boyaca.

Rural-Electrification Program, Eire

A £17,000,000 rural electrification program for Eire was envisaged for the postwar period in a recent report of the Electricity Supply Board of Eire. More than half of the population of Eire lives in rural districts where electricity is not available. The power required to supply these people would not be more than 200,000,000 kilowatt-hours, but it would be necessary to build about 75,000 miles of 10,000-volt lines and provide 100,000 transformers to carry out this project.

Electric Boiler To Be Purchased by Swedish Plant

The Varta steam electric reserve plant in Stockholm, Sweden, is planning to purchase a second electric boiler. Excess electric energy operates the present

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boiler, and, as the future surplus will be even greater, a second electric boiler can be utilized for the purpose of maintaining the necessary standby temperature. It will cost $74,000 but will effect an estimated saving of $23,000 annually.

Feathers and Furs

Canadian Fur Exports

During August Canadian exports of furs (principally raw) were valued at $940,000, about half the value of exports in the corresponding month of 1943, according to a Dominion publication.

Cumulative totals for the first 8 months of the 2 years were $19,946,000 and $17,169,000, respectively.

Chilean Feather Industry Envisaged

Feathers may become another source of income in the Magellanes region of Chile. Large flocks of birds migrate to the southern area each year, and this has created an interest in the establishment of a feather industry in that region.

Foodstuffs and Allied Products

Canadian Food Situation

An over-all increase in agricultural production in Canada since 1939 has made it possible to increase civilian food supplies during a period when exports to the United Kingdom and other United Nations have been at high levels.

Fluid milk consumption continues to increase despite the greater use of milk for manufacturing purposes. Supplies of butter have not increased since 1939, and sugar consumption has been stabilized at about 80 percent of the pre-war level, but the present level of consumption of most food products is materially higher than before the war.

Coffee and Cocoa

Cocoa Industry, Colombia

Experiments are being carried on in the Cauca Valley, Colombia, in an effort to augment the production of cocoa. An estimated 6,000 hectares (1 hectare=2.471 acres) in the Cauca area are planted to cocoa. The valley production in 1943 is officially estimated at 2,216,500 pounds, or about 30 percent of the national production.

Inasmuch as the importation of cocoa is limited by law, and the witch broom disease has not appeared in Colombia, Cauca Valley authorities are optimistic in regard to the growth of the industry. Since July 1, 1944, ordinary valley cocoa has increased in price from 9.30 pesos per arroba of 25 pounds to an average of 9.80 pesos in mid-September on the wholesale market.

Chocolate Production, Dominican Republic

The manufacture of chocolate has increased in the past few years in the Dominican Republic. In 1943 exports totaled 193,218 gross kilograms (1 kilogram=2.2046 pounds) valued at $69,210 as compared with 75,648 kilograms valued at $21,071 in 1942.

Entries of Sugar from Offshore Areas Through September 30, 1944

The War Food Administration reports that the quantity of sugar entered for consumption from all offshore areas during January-September amounted to 4,197,739 short tons, raw value. For the corresponding period last year the quantity entered totaled 3,643,980 tons. The figures are subject to change after final outturn weights and polarization data for all entries are available.

A total of 225,654 short tons of sugar, raw value, was marketed by the mainland cane area and 749,595 tons by the continental beet area during January-August 1944, as compared with 196,672 tons and 1,090,220 tons, respectively, during the same period of 1943.

	Quantity entered through Sept. 30 (short tons—96° equivalent)
Cuba	[1] 2,792,504
Hawaii	630,295
Puerto Rico	697,836
Foreign countries other than Cuba	74,409
Virgin Islands	2,695
Total	4,197,739

[1] Does not include sugar equivalent of invert molasses produced and shipped in lieu of raw sugar at the request of agencies of the United States Government.

Ecuadoran Coffee Deliveries

Coffee deliveries at the port of Guayaquil, Ecuador, during August 1944 totaled 15,000 quintals of 101.4 pounds each, as compared with 3,600 quintals in July. Coffee receipts in August 1943 amounted to 22,000 quintals.

Exports of coffee from Ecuador in August 1944 totaled 25,663 bags of 60 kilograms each, valued at $262,957, according to an unofficial source, an increase of 38 percent over August 1943 exports of 18,510 bags.

Ecuadoran Cocoa Industry

Because of heavy and unexpected receipts of cocoa at the port of Guayaquil, Ecuador, the outlook for the industry brightened during August. Total receipts from El Oro Province amounted to 41,342 quintals of 101.4 pounds each, as compared with 31,360 quintals in July and 20,002 quintals in August 1943.

The cocoa deficit for the year has materially decreased, and, should the receipts from El Oro Province continue on the same scale, the 1944 crop may equal that of last year. At the end of July the deficit in cocoa receipts amounted to 40.8 percent, as compared with the similar period of 1943, while at the end of August it was lowered to 30.9 percent.

Ecuadoran cocoa exports in August 1944 amounted to 1,213,365 kilograms (1 kilogram=2.2046 pounds), valued at $253,677, according to an unofficial source, an increase of about 173 percent over the 443,443 kilograms exported in August 1943.

Fish and Products

Whitefish Catch, Manitoba, Canada

The commercial fishing season in Manitoba, Canada (from June 12 to August 5, 1944), was disappointing; only about 2,000,000 pounds of whitefish were landed against licenses granted to 150 boats to take out 3,000,000 pounds.

This slump is attributed partly to high water and winds and partly to the phenomenon that every 7 or 8 years Lake Winnipeg whitefish refuse to enter the nets.

This year the fishermen obtained 12 cents per pound at the lake compared with 14 cents last year.

The capital equipment of the Lake Winnipeg commercial fisheries is valued at approximately $1,900,000, and the latest available official figures show that the landed value of all fish caught in 1943 was $3,427,614, compared with the market value of $4,564,551.

Fish-Development Schemes, India

As part of the grow-more-food campaign, the Government of India is promoting schemes for increasing the production and supply of fish, according to the foreign press.

In addition to rendering technical assistance, the Government will give financial assistance, if necessary, in order to put the development schemes into early operation. The Provincial Fisheries Departments may establish a series of rearing ponds in suitably situated areas where fry can be put in and fingerlings of various species of carp raised to supply other areas.

Fruits

Apple-Juice Production, Canada

Greatly increased production and sale of apple juice in Canada after the war has been predicted. Production of apple juice totaled 407,193 cases in 1940 but, as a result of wartime restrictions, dropped to 170,534 cases in 1943, all for Government account.

Apple juice, enriched with vitamin C, has been supplied to all branches of the Canadian armed forces since 1941. It supplements tomato juice as a Canadian-produced and economically priced substitute for imported citrus juices. After the war it will be made generally available to the public.

Cuban Banana Industry

During the first 6 months of 1944, more than 1,000,000 bunches of bananas were exported from Cuba, a slightly larger quantity than in the corresponding period of 1943.

Despite the lower prices now being offered, comparatively heavy shipments were reported in July and August. The

largest shipments are usually made in the summer and fall months. If present improved shipping conditions are maintained, total 1944 exports may exceed the 2,500,000 bunches exported in 1943. However, this quantity is about 40 percent less than the 4,400,000 bunches shipped in 1939.

According to the Ministry of Agriculture, the average weight per bunch shipped through the ports of Baracoa and Gibara-Sama in Oriente Province, is 27 pounds, or approximately 46 percent less than the 50-pound average of recent years. The present low weights reflect the damage caused by sigatoka disease and the harvesting of bananas before maturity to meet the active demand of shippers.

Banana Production, Peru

Bananas have been grown in Peru since colonial times, but production is not sufficient to supply the demand and some bananas are imported from Ecuador each year. Most of the bananas are consumed as fresh fruit.

No recent statistics in regard to banana production are available, but in 1929 it was reported that there were 7,600,000 fruit-bearing banana plants in the country.

The greatest production is on small holdings in the river valleys of the west coast where sufficient water is available for irrigation and in the selva region where natural rainfall supplies the required moisture.

According to 1929 statistics the principal areas of banana production are in the Department of Piura, which had 34 percent of the plants; the Department of Loreto, 17 percent; the Department of San Martin, 12 percent; and the Department of Cajamarca, 10 percent.

The majority of the bananas grown in the selva region of Peru are marketed locally because of the lack of transportation. On the west coast they are sold in municipal markets.

With the opening of highways from the coast to the selva region it is likely that more bananas will reach the markets on the coast, provided that the cost of transportation by truck compares favorably with the cost by boat from Ecuador.

In the coastal areas most of the bananas probably will continue to be produced on small properties, as bananas as a crop cannot compete in that area with cotton at its present price. The value of land in the coastal valleys is high, and irrigation water is scarce. On the other hand, the value of land in the selva region is low and rainfall is plentiful.

Spanish Raisin Crop

The 1944 crop of raisins in the Valencia district of Spain is unofficially estimated at between 5,000 and 6,000 metric tons, about 10 percent of which will be of the seedless variety. Since both the growing and drying seasons have been favorable this year, the crop is reported to be of good quality.

There have been no exports except small quantities to Switzerland and the Spanish colonies. There are reported to be about 300 metric tons of old-crop raisins at the Spanish frontier awaiting transportation to Switzerland.

At the conclusion of the drying season, total stocks are expected to be between 6,000 and 6,500 metric tons, of which approximately 500 to 1,000 tons are from last year's crop.

Prices to growers from this year's crop will probably be between 100 and 150 pesetas per quintal (50 kilograms of 2.2046 pounds each) according to class. Official export prices are authorized for two grades only: Good quality (Buena selección) 480 pesetas per 100 kilograms f. o. b. Spanish frontier, and seedless (Corinto) 600 pesetas.

Grain and Products

Wheat Production, Brazil

Wheat is Brazil's principal deficit food crop; only between 10 and 15 percent of the country's wheat requirements are produced domestically.

Annual imports of more than 1,000,000 metric tons of wheat head the list of imported commodities on a tonnage basis. Argentina is the principal source of supply.

Domestic consumption continues to increase, although it has not kept pace with the increase of population in recent years. The average Brazilian used more than 55 pounds of wheat per year during the period 1940–43, compared with less than 45 pounds 20 years ago.

Both acreage and production of wheat have increased in the past 20 years. In 1942 the area planted to wheat totaled 742,000 acres, and production totaled 9,126,000 bushels, or more than double the 1922–26 averages of 342,000 acres and 4,371,000 bushels.

Government measures have been taken to stimulate the industry, and claims are made that national self-sufficiency is physically possible from the standpoint of available land. Fundamentally, however, Brazil is not a wheat-producing country, and its efforts to become self-sufficient must necessarily be made at the expense of other crops for which the topography of the land, the soil, and the climate are better suited.

Brazil's flour-milling facilities include several large up-to-date establishments scattered along the coast from Porto Alegre to Recife. With few exceptions these mills are controlled by foreign capital. In addition to the large concerns there are innumerable small mills scattered through the wheat-producing zones, especially in Rio Grande do Sul.

Mills and elevators located in coastal cities are modern structures for the most part and use modern milling methods. Milling capacity has increased greatly during the past 20 years and is estimated at 900,000 metric tons annually. Few specific projects for future construction have been reported, but some additional expansion is expected in the years following the war.

There is a limited market for United States flour in northern and northeastern Brazil, but price and transportation factors tend to make competition with domestic and Argentine brands difficult.

Wheat Production, Peru

Peru ordinarily is between 40 and 45 percent self-sufficient in wheat production. In 1934 it dropped to 27 percent, which was unusually low, and in 1937 it rose to 47 percent.

The following table illustrates the ratio between domestic production and total supply for the years 1939 to 1943, inclusive:

[In metric tons]

Year	Production	Imports
1939	111,745	123,682
1940	101,771	138,735
1941	100,334	131,318
1942	100,898	118,843
1943	90,000	114,861

For a number of years, the Peruvian Government has sought to attain wheat self-sufficiency by a variety of devices. The Government has granted discounts on fertilizers, low freight rates from interior producing areas to the coastal milling and consuming regions, free seed, farm loans at low interest rates, and has provided Government-owned threshers at nominal fees for community use. Government agricultural experiment stations have been active in introducing and experimenting with new rust-resistant strains and in developing new cultivation methods.

The desire to encourage wheat production has been more than counterbalanced, however, by the necessity to provide low prices of bread in the cities, so that the import duty on wheat has remained low, that is, at 0.015 sol per gross kilogram, whereas the duty on wheat flour of 0.05 sol per gross kilogram is sufficiently high to protect the interests of domestic flour mills. During the past 2 years, ceiling prices have been established for bread and wheat flour, as a protection to consumers, but no floor prices have been provided to domestic wheat producers, nor have any attempts been made to increase wheat production by means of subsidies. The only subsidies relating to wheat un-

dertaken by the Peruvian Government have concerned imports.

Per capita wheat consumption is expanding as a result of increased purchasing power, especially in urban coastal areas. This has increased demand for imported wheat, although shipping facilities in 1942, 1943, and 1944, have been insufficient for all quantities desired. High landed costs for Argentine wheat as a result of high freight rates, plus ceiling prices on wheat and bread, have also tended to curtail imports.

Average annual wheat consumption has risen from 155,000 metric tons for the 5-year period 1920–24, to 180,565 tons for 1925–29, to 187,700 for 1930–35, and to 204,000 for 1935–39. In 1940, apparent annual consumption (domestic production plus imports minus exports) was 240,506 tons; in 1941, 231,652 tons; in 1942, 219,740; and in 1943, about 205,000 tons.

Approximately 10 percent of the domestic crop, or between 10,000 and 11,000 metric tons, is used for seed purposes, at the approximate rate of 2.25 bushels per acre.

Present storage facilities are sufficient for current requirements, taking into account the need for stockpiling to prevent shortages, and are equivalent to about 25 percent of Peru's annual imports, about 28,000 metric tons—exclusive of space for some 130,000 tons in roofless sheds.

Canadian Production

Production of wheat this year in the three Prairie Provinces of Canada, Manitoba, Saskatchewan, and Alberta, is estimated at 423,000,000 bushels, as compared with 277,000,000 bushels in 1943. The 1944 wheat crop includes 11,000,000 bushels of amber durum wheat divided equally between Manitoba and Saskatchewan compared with less than 7,000,000 bushels produced by these Provinces in 1943.

Some winter wheat is produced in Alberta, but the quantity is comparatively small and is included in the spring wheat total for that Province.

Average yield of wheat in western Canada in 1944 is estimated at 18.3 bushels per acre compared with 16.6 bushels in 1943.

The first estimate of the production of wheat, oats, barley, and rye in the Prairie Provinces in 1944 is as follows:

Commodity	Acreage	Yield per acre	Estimated production
		Bushels	*Bushels*
Wheat	23,052,500	18.3	423,000,000
Oats	10,446,900	38.1	398,000,000
Barley	6,763,400	27.7	187,500,000
Rye	572,550	16.0	9,175,000

Canada's wheat-flour production for the 1943–44 crop year topped all previous records. Flour millers used 107,000,000 bushels of wheat for the production of 24,300,000 barrels of flour, of which 13,500,000 barrels were exported.

Sugars and Products

Haitian Sugar Situation

The 1943–44 season was the best year in the history of the Haitian sugar industry.

Stocks at the beginning of the sugar year 1943–44 were the largest in the industry's history, totaling 44,926 short tons. Production of 63,795 tons raised the total sugar available to 108,721 tons. Of this amount 14,728 short tons were set aside for the domestic market, and 77,410 tons were exported in the 12 months ended August 31, 1944, thus reducing the stock position to 16,583 tons.

Peruvian Sugar Situation

The latest forecast of Peru's 1944 sugar production remains at 441,000 short tons, and some of the leading growers believe that amount may be exceeded.

Peruvian sugar output in August 1944 is estimated at 50,000 short tons, and production for the first 8 months of 1944 at 226,000 tons.

Domestic sugar consumption in July 1944 amounted to 12,992 tons as against 10,615 tons in the corresponding month last year and 9,637 tons in June 1944, according to the National Agrarian Society.

Cumulative consumption for the first 7 months of 1944 is placed by the above source at 83,974 tons as compared with 78,478 tons in the corresponding period of 1943.

A resolution dated August 11, 1944, required sugar producers to increase their quotas for internal consumption by 25 percent from September 1 to December 31, 1944. The preamble of this resolution states that during the first 8 months of this year producers delivered for domestic consumption quantities which exceeded by 8.21 percent their fixed quotas, so that corresponding adjustments will be made in the September–December period. The quota for domestic consumption this year was fixed at 121,253 tons by a resolution dated February 8, 1944, which stated that the quota might be increased if required by domestic needs.

Sugar exports in August 1944 totaled 34,340 tons, according to a trade source.

Apparent sugar stocks as of September 1, 1944, were 22,000 short tons. However, taking into account pending contracts with Chile, Uruguay, Mexico, and other buyers, there were probably no unsold stocks at the end of August and there may be none until late this year.

Glass and Products

Production, U. S. S. R.

Production of the glass factory at Lisichansk, Voroshilovgrad Oblast, the Soviet Union, had reached 200,000 square meters by the middle of August, states the Soviet press. Reconstruction of the factory, said to be the best equipped in the Soviet Union, was completed 2 months ahead of schedule.

On the other hand, rehabilitation of the glass factory at Konstantinovka, Stalino Oblast, Ukraine, is reported to be proceeding slowly. The two sections that have been restored are producing glass of poor quality, and more than 200,000 square meters of breakage has been reported since the beginning of operations.

Reconstruction of the glass factory in Vileika Oblast, White Russia, is reported to be nearing completion.

In Vologda Oblast, the Chagoda glass factory, which is mechanized is exceeding its production quota.

PRODUCTION, URUGUAY

Uruguay's annual glass production, estimated at 9,000 metric tons, is principally bottles for beverages. The industry is centered in Montevideo where five companies are located.

Development of the small industry has been aided by the domestic supply of sand and lime, but inadequate supplies of fuel oil have been a deterring factor.

Total glass imports into Uruguay in the past 2 years have averaged 1,650 metric tons annually, 95 percent of which was plain flat glass. Increased production of flat glass is planned upon the receipt of machines that have been ordered, but the importation of small quantities of plate glass and fine crystal is expected to be necessary for some time.

Although the real market for the glass produced in Uruguay is domestic, 150 tons were shipped in 1943 to Paraguay, Venezuela, Mexico, and Cuba.

Iron and Steel

COLOMBIA'S IRON RESOURCES

The Paz del Rio iron deposits of Colombia should prove to be one of that country's richest natural resources and eventually may make Colombia self-sufficient in iron manufactures, according to a statement made by the Colombian Minister of Public Works.

On the basis of estimates of surface deposits, reserves amount to 41,000,000 tons, and some banks measure 17 kilometers in length. The ore yields 15 percent iron and lacks elements that might prove harmful in the process of smelting.

The goal is to produce 35,000 tons of ore in the first year and double this amount in the second year.

PERU TO ESTABLISH IRON AND STEEL INDUSTRY

Preliminary steps have been taken in the establishment of Peru's iron and steel industry. After drilling the Marcona iron deposits, possible reserves have been estimated at 11,000,000 tons of high-grade ore and probable reserves at more than 50,000,000 tons. The open-cut method of mining is to be used.

The ore is to be crushed to the proper size for use in a blast furnace and transported about 25 kilometers from the Marcona deposits to the projected port of San Juan.

Leather and Related Products

Leather and Manufactures

LEATHER PRODUCTION CURTAILED, MARTINIQUE, F. W. I.

The normally limited production of leather in the French West Indies has been further curtailed during the war because of the lack of raw materials. The number of hides processed during 1944 is expected to be less than 5,000 as compared with the 10,000 hides tanned in the more or less normal year of 1940.

U. S. Generators for Restoration of Famed Dnieprostroi Plant in Soviet Union

The War Production Board recently announced that it had advised the Foreign Economic Administration of its approval of the manufacture in this country of nine hydroelectric turbine generators for the Dnieprostroi plant in the Soviet Union. These machines would replace the famed installations put into operation in 1933 and completed in 1936, and destroyed by the Russians when they retreated before the Germans in 1941.

The total capacity of the nine turbine generators is 900,000 horsepower. Their manufacture and installation would require at least 4 years for completion. This machinery will not be provided through Lend-Lease, but will be financed by the U. S. S. R., WPB says.

Approval of manufacture of the equipment at this time was granted on the condition that no fixed delivery date would be promised and that manufacture would not be allowed to interfere with the production of war supplies or equipment needed for essential civilian purposes. Furthermore, manufacture of the units will not be permitted to interfere with any important phase of reconversion of our war economy to civilian production, says WPB.

"The Russians have told us that the restoration of the great Dnieprostroi hydroelectric plant will contribute more than any other one thing to remedying the war damage which the Russians have suffered, and that its completion at the earliest possible moment is of vital importance to Russia," said WPB Chairman J. A. Krug. "We are able to put these units into production in this country without interference with our war effort, and this is the only basis upon which the Russians asked for these machines.

"The Dnieprostroi units will in no sense be a gift from America to Russia, since their manufacture will be paid for by the Russians. However, to my mind manufacture of these hydroelectric turbines and generators in this country for Russia symbolizes the desire of the American people to help Russia recover from the devastation which the war has brought, and I believe this act will be a bond of friendship between the two countries."

Practically the only need for bulk leather in the French West Indies is in shoe repairing.

Hides and Skins

BRAZILIAN EXPORTS

Hides and skins exported from the port of Santos, Brazil, during 1943, according to the São Paulo State Department of Statistics, were as follows:

Item	Quantity	Value
	Kilograms	*Cruzeiros*[1]
Wild-hog skins, bulk	59,085	2,271,455
Water-hog skins, bulk	33,780	1,274,537
Steer hides, salted and dried	2,949,776	11,301,824
Steer hides, tanned	6,021,209	64,461,827
Pork hides, prepared or tanned	15,989	1,226,202
Other hides, not specified	187,989	2,920,259
Total	9,267,828	83,456,104

[1] F. O. B. Santos.

SITUATION IN NEW ZEALAND

Small quantities of yearlings and kips, which are not needed to fulfill the requirements of domestic tanners, are now being exported from New Zealand. However, it has been found necessary to place a total embargo on the exportation of oxhides of 45 pounds and more and on cowhides of 40 pounds and more because the production of cattle hides has declined at a time when domestic tanners are expanding their productive capacity.

Tanning Materials

QUEBRACHO EXTRACT, ARGENTINA

August 1944 shipments of quebracho extract from Argentina totaled 8,869 metric tons, as compared with 12,469 tons exported in the corresponding month of 1943.

A total of 2,118 metric tons of quebracho extract was consumed by domestic tanners in August 1944.

TANBARK ON BRAZILIAN MARKET

Commercial plantings of black acacia in Rio Grande do Sul, Brazil, have reached the stage where fairly large quantities of tanbark can be marketed. However, such production is at present absorbed entirely by Brazilian tanners, and until such time as plantings in the State of Rio de Janeiro also develop to a considerably greater extent, no important quantities can be placed on the export market. It is expected that several more years will have to elapse before cultivation of black acacia can be considered as substantially beyond the experimental stage in Brazil.

Lumber and Products

USE OF WOOD IN BUILDINGS, ARGENTINA

Southern yellow pine imported from the United States was formerly used in Argentina for parquet flooring but has been replaced by domestic hardwoods, states the foreign press.

A shortage of steel has resulted in a return to the use of wood window frames. Doors are made of plywood from Europe, Brazil, and Chile.

CONDITIONS IN CANADIAN LUMBER INDUSTRY

Canada's productive forest land is estimated at 770,000 square miles, of which

Courtesy Office of War Information

about 430,000 square miles or 275,200,000 acres are accesible, says a Canadian lumber journal. Accessible timber is estimated to total 252,100,000,000 board feet of saw timber and 1,500,000,000 cords of material suitable for pulpwood, fuel, and other products.

A third forest nursery is scheduled to be established on Vancouver Island, near Duncan, says a Canadian lumber journal. It will have an annual capacity of 6,000,000 trees, which, with the 10,000,000 grown in the two existing nurseries, will make a total yearly production of 16,000,000 trees.

The government of British Columbia plans to increase its annual planting schedule to 20,000 acres, or double the present rate, which has been maintained despite serious shortages of labor and supplies. Since the tree-planting program was inaugurated, a total of 33,620,300 trees have been planted on 41,632 acres, and an additional 1,368,200 trees have been given to logging companies, municipalities, and wood-lot owners, who have planted 1,666 acres of cut-over land.

Heavy post-war demands are expected to require the operation of British Columbia's lumber industry at peak levels for several years after the war. The provincial government is already stepping up reforestation work in view of the prospective drain on timber resources.

British Columbia's sawlog scale in August amounted to 246,096,741 board feet, an increase of 12,582,924 feet over the preceding month and a slight increase over August 1943. A total scale of 1,874,852,265 feet for the first 8 months of 1944 represented an increase of 174,601,070 feet, compared with the corresponding months of 1943.

The cut of poles and piling dropped substantially during August, compared with August 1943, and was also considerably lower for the 8 months January–August 1944 compared with the corresponding period in 1943. Cordwood showed an increase both for the month of August and for the first 8 months of the year.

The cut of railroad ties increased in August 1944 more than 250 percent above the July 1944 total, and also increased substantially for the first 8 months.

Production of Timber, New Zealand

The output from 328 New Zealand mills producing rough sawn timber totaled 331,478,346 board feet in 1942–43, an increase of 2 percent above the preceding year's total of 324,473,600 feet, states the foreign press.

Rimu accounted for the largest production—59.5 percent of the total cut or 197,165,000 feet. Pinus insignis was second with 59,371,000 feet and kahikatea, third with 24,334,210 feet. Increases were recorded above the 1941–42 figures for all principal species except kahikatea, which dropped 5,400,000 feet.

The total value of the 1942–43 output was £NZ3,482,000 compared with £NZ3,254,340 in 1941–42.

Lumber Industry, Nicaragua

Nicaragua has more than 30 sawmills, including 4 band mills. Most of the mills are in the western part of the country and cut timber for domestic consumption and for export from Corinto.

Shipments of lumber from Nicaragua have fluctuated considerably. Exports in 1943 were the largest since 1939, but less than half the annual shipments in the 1920's. In the depression year of 1932 lumber and log exports dropped to less than 2,000,000 board feet.

Reforestation of Peru

Demand for tree-planting material in Peru is increasing, states the press. More than 2,500,000 seedlings were distributed by 21 nurseries in 1943. Imported seeds of various species have been planted in the nurseries, and special experimental work is being done on acclimatization.

Certain zones are being reforested as a national defense measure, and reforestation is being used in the sierra as protection for towns and communication lines threatened by torrents. A campaign has been organized for the formation of model forests in some regions, such as Iquitos, Tingo Maria, and Satipo. Reforestation of the lomas is being continued in Lachay, Matarani, and other districts.

Supplies of Firewood, Sweden

Firewood supplies in Sweden are considered ample, although transportation difficulties have interfered with distribution to consuming centers.

Compulsory cutting was abolished in the four most northern counties on January 1, 1944, and in the remainder of the country on July 1. If the system of voluntary contracts should prove unsatisfactory, compulsory cutting reportedly may be reintroduced.

Medicinals and Crude Drugs

Brazilian Production of Ipecac

Production of Brazilian ipecac in 1942 totaled 77 tons, with a value of 6,892,000 cruzeiros.

Cod-Liver Oil in Newfoundland

The entire production of cod-liver oil in Newfoundland during 1943 is reported by the foreign press to have been absorbed. Large orders have been placed for the 1944 output.

Production of Theobromine, Spain

Theobromine is being produced from cocoa shells in Spain, states the foreign press. Although the product is not of the best quality, domestic market is protected by the prohibition of imports.

Nonferrous Metals

Canadian Production Decreased

Canadian production of copper, nickel, and zinc decreased during the first 5 months of 1944, compared with the corresponding period of 1943. Copper output totaled 238,972,705 pounds (250,768,906 pounds in 1943); nickel, 118,400,313 pounds (124,708,247 pounds); and zinc, 227,300,262 pounds (258,825,058 pounds).

Tin Production in China

Tin production in Chila in 1943 totaled 6,000 tons, reports the foreign press. Discontinuance of the Kunming smelter in 1944 is expected to result in a drop in output to an estimated 4,000 tons.

Dominican Republic's Gold Output

The Dominican Republic's gold output decreased to 23,528 kilograms ($28,574) in 1943 from 275,344 kilograms, valued at $234,804, in 1942.

Special government authorization is required for gold shipments.

Gold Placer Mining in Peru

The gold placer miner in Peru is encouraged by the Government and guaranteed the free use of lands under exploitation.

An attempt is being made in the region of Marcapata, despite difficulties in obtaining materials, to install equipment for the extraction of gold from gravels and sand by mechanical processes and amalgamation. In the preliminary exploitation started on the placers of the Aguaytia River in the Ucayali region, a system of sluices is being used in the absence of drilling and drag-line equipment desirable for large-scale exploitation. Good results are anticipated from small gold-placer-mining cooperatives which have remained organized in the Provinces of Grau and Antabamba. The establishment of similar organizations is a possibility.

A number of factors are contributing to the formation in the near future of a substantial gold-placer-mining industry. The Government has a policy of opening up ways and means of communication to placer-mining centers, care is exercised in the selection of personnel, sanitary facilities are being installed in isolated regions, and agricultural colonies and new settlements are being established.

Nonmetallic Minerals

Discovery of Gold and Diamonds, Brazil

New discoveries of diamonds in the States of Goiaz and Mato Grosso, Brazil, are attracting migratory workers by the thousands, reports the Brazilian press.

About 50,000 persons are reported to be working gold and diamond diggings throughout the municipality of Pedro Afonso in Goiaz. The greatest activity in Goiaz is reported in the District of Tocantins, and in the vicinity of Lageado, next to the waterfalls of the Rio Grande River. A new bed discovered in the State of Mato Grosso near Tres Lagoas on the right bank of the Parana River is attracting thousands of workers, according to reports.

The largest diamond recently reported—a green stone of magnificent geometric form weighing 83½ karats—was found on the Rio Sao Bento River, in the municipality of Catalao.

Prices are considered satisfactory.

Output of Salt in Dominican Republic

The output of salt in the Dominican Republic increased from 5,590,000 kilograms, valued at $327,150, in 1942 to 12,620,050 kilograms ($741,025) in 1943. Mined salt in 1943 totaled 1,982,900 kilograms.

Limestone and Cement Plants, French Morocco

The pre-war production of French Morocco's limestone and cement plant at the annual rate of 200,000 metric tons is expected to be resumed after the war. All raw materials are available, and production sufficient to fill the needs of domestic consumption is dependent only upon the receipt of machinery, tools, and spare parts.

Exports have been negligible, but with the reduction in overhead and labor costs by the installation of improved machinery the future of the industry is promising.

Following the discovery of important quantities of asbestos in French Morocco, particularly in the district of Bou Azzer, an asbestos-cement industry was established in 1939–40. This plant can now supply all material needed for roofing in Morocco, whereas before the war considerable quantities were imported to fill domestic needs.

The present monthly output of 20,000 square meters of roofing is considered to be one-quarter of the capacity of the plant.

Brick Plants in U. S. S. R.

Twelve fire-brick plants placed in operation at various collective farms of Chuguyev Raion, Kharkov Oblast, Soviet Russia, had produced 300,000 bricks by the middle of August, the Soviet press reports.

In Vileika Oblast of White Russia, 15 brick factories and 2 factories for the production of fire-brick plates have been placed in operation.

Peruvian Supply of Salt

The Peruvian salt monopoly in 1943 continued to supply salt for normal domestic consumption. Additional expenses were compensated by a constant increase in sales. The income from the monopoly was 6,314,778 soles in 1943, compared with 5,893,797 soles in 1942.

Oils, Fats, and Oilseeds

Oilseed Crops, India

Arrivals of mustard seed in the Calcutta district of India showed progressive improvement from May 1 to June 30, 1944. Exports from Calcutta totaled 20 tons of mustard seed and 3,000 imperial gallons of mustard oil. Early in the June quarter the Bengal government arranged with the government of the United Provinces for the release of 1,500,000 maunds (1 maund=82⅔ pounds) of mustard oil to be delivered from the United Provinces for consumption in Bengal.

The latest estimate of the rapeseed crop in the Karachi district for the current year (April 1, 1944, to March 31, 1945) indicates that production will be about 41,000 tons compared with 38,000 tons in the preceding crop year.

During the first 6 months of 1944 sesame-seed arrivals in Bombay totaled 7,127 tons compared with 6,146 tons in the corresponding period of the preceding year. Stocks on hand were negligible and no exports from Bombay were re-

What Importers May Pay for Tapioca Flour: OPA Establishes Specific Prices

An order establishing specific prices that importers may pay for tapioca flour bought from foreign sellers or their agents in producing countries was announced October 12 by the Office of Price Administration.

Effective October 13, 1944, the new action is designed to stabilize prices for this important product and prevent a further squeeze on prices established under the General Maximum Price Regulation for dextrines, adhesives, and other materials of which tapioca flour is a component, OPA says.

The maximum prices importers may now pay to foreign sellers or their agents are as follows (f. o. b. ocean port of origin):

Tapioca flour produced in—	*Cents per pound*
Santo Domingo	6.20
Brazil—	
Grade A	6.20
Grade B	4.50
Grade C	3.75

Importers will apply the mark-ups already provided by the Maximum Import Price Regulation for sales of the products in this country.

Tapioca flour is a starch derived from the cassava plant. Its use in the production of dextrines and adhesives is especially important because it adds strength and speed of setting to these products. High-speed packaging and labeling machines are able to operate with highest efficiency in the production and packaging of pharmaceuticals, shell tubes, ammunition, bandages, and airplane parts when tapioca-flour adhesives are available.

There are no satisfactory domestic substitutes available for these uses, for which tapioca is particularly suitable. In some cases, corn and other starches have been used, but supplies of these products cannot be readily expanded to meet all the regular and additional demands, OPA says.

The former principal source of tapioca was the Netherlands Indies, but this source of supply has been cut off since the beginning of the war with Japan.

Establishment of specific prices that may be paid in the foreign countries will protect established ceilings in this country for the finished products in which the tapioca flour is used, says OPA.

corded during April and May. Exports for the first 5 months of the year amounted to only 82 tons. Cottonseed prices in Karachi decreased appreciably during the June quarter, owing to the closing of country-craft traffic to Cutch and Kathiawar ports, where it is mainly exported, and the consequent scarcity of demand. Exports from Karachi amounted to 5,255 tons, and arrivals in Karachi totaled 9,706 tons. No cottonseed was exported from Bombay during April and May.

An acute shortage of coconut oil in the Bombay area occurred during the June quarter, and, in the absence of arrivals from Ceylon, stocks were negligible.

Argentine Tallow Situation

Argentine exports of inedible tallow during 1943 totaled 29,747 metric tons net, according to customs statistics, but trade sources indicate that they were somewhat higher. Exports of other tallow during the same period were as follows: 8,988 tons of edible tallow; 12,131 tons of refined tallow; 7,733 tons of rendered edible fat; and 3,194 tons of stearine.

Packers' revised estimates of the exportable surplus for 1944 are as follows: Refined tallow, 28,000 tons gross; other edible tallow and cattle fats, 50,000 tons; inedible tallow, 20,000 tons. These total 98,000 to 100,000 tons gross weight or the equivalent of about 85,000 tons net. Between January and July, Argentina exported about 71,000 metric tons gross of these products, or the equivalent of 62,000 tons net.

No local accumulation of stocks exist, and the export demand is very large, particularly in Brazil and Great Britain.

Paints and Pigments

Situation in Industry, Argentina

Argentina's paint and varnish industry, which faced difficulties in 1943 because of shortages of nitrocellulose, plasticizers, and synthetic resins, is now using oil paints, Brazilian gums, and locally manufactured oil plasticizers.

Since nitrocellulose has been removed from the critical list, and the General Bureau of Military Manufactures is making moderate quantities of this material, production of lacquers has been resumed. Synthetic enamels are still scarce because of raw-material shortages.

Domestic production now covers the industry's requirements of solvents such as butanol, butyl and amyl acetate, ethanol, and ethyl acetate. Stocks of benzol, xylol, and toluol are still low.

Paper and Related Products

New Swedish Wallboard Plant

A new wallboard factory with a capacity of 10,000 metric tons a year has been put into operation at Wifstavarv, Sweden. It replaces the parent firm's sulphate plant in the same locality which was closed recently because of the declining market for sulphate pulp and inadequate sources of suitable pulpwood.

The new plant probably will have a steadily increasing market for its products, since, in addition to the heavy demands which will undoubtedly be placed on the Swedish wallboard industry by the 40 countries which were regular customers before the war, domestic consumption is expected to exceed all previous records as a result of extensive plans for the alleviation of the present severe housing shortage.

The types of wallboard which will ultimately be manufactured at this new factory are not known, but Swedish wallboard manufacturers generally have never limited themselves to a single type. Therefore, it is assumed that the output will range from thin hardboard, like masonite, to the soft types up to 2½ inches thick which are utilized for insulation and soundproofing.

Petroleum and Products

Search for New Sources of Petroleum, Canada

Surveying parties of the Mines and Geology Branch of the Canadian Department of Mines and Resources are concentrating this year on a search for new sources of petroleum along with base and strategic metals, states the British press. Canada's most important oil fields, which are located in Alberta, continue to show a marked decline in output, and processes for extracting oil from the famous Athabaska tar sands are still in the experimental stage.

The 1944 program provided for 32 surveying parties to engage in geological mapping and investigation and 14 parties in topographical mapping. Original plans provided for 6 geological parties to operate in Alberta, centering activities in the foothills. One party, concentrating on Saskatchewan, was to work in the Eston area. Two of the topographical parties were to operate in the Mackenzie River basin, compiling material to be used in the investigation and development of petroleum resources. In addition, 7 parties were assigned to British Colombia, 2 to Manitoba, 4 to Quebec, 2 to New Brunswick, 2 to Nova Scotia, and 1 to the area adjacent to the Canol pipe line.

Canada's position in petroleum is not improving, according to the Canadian Minister of Munitions and Supply, but it is hoped that the supply situation can be maintained at its present level for some time.

Use of Castor Oil as Motor Lubricant, Nigeria

Considerable experimentation in the use of castor oil as a motor lubricant has been carried out in Nigeria, and a foreign press report indicates that the Nigerian Railway has successfully used this vegetable product for lubricating cross heads and motions of locomotives. A consignment of 1,000 gallons was extracted, the greater part of which went to the railway.

Tests were made on a certain type of automobile, and the oil was found to be satisfactory for use in the gear box, pro-

vided that its temperature did not exceed 83° C. Pure castor oil proved, however, to be unsuitable for internal-combustion engines because of the rapidity with which it becomes gummy, requiring a constant effort to keep the piston rings free from deposits.

The Imperial Institute, London, has recently published a report based on an examination of this castor oil. The sample consisted of 1½ pints of clear, pale golden-yellow, viscous oil, free from sediment and other insoluble matter. It was found to be of good quality and able to meet all requirements of the Air Ministry Specification, except for a slightly higher content of unsaponifiable matter. Except for its color, it meets the requirements of the British Standard Specification.

Peruvian Petroleum Industry

Output of crude petroleum in Peru during the first 4 months of 1944 totaled 7,500,000 barrels, with a value exceeding 61,000,000 soles, indicating maintainence of the accelerated rate of production which began in 1943, when output was 15,692,798 barrels. More than one-third of the total 1943 production was consumed locally, a considerable increase over 1942 consumption.

A widespread effort is being made to expand the Peruvian State petroleum industry, which, it is believed, would have great importance in the development of the country. A general survey of petroleum possibilities has been made for the Government, and important work is being done in several localities. During May the first well in the Los Organos region drilled to 540 feet was brought into production at 70 barrels per day, and early in June another well with daily capacity of 350 barrels began to flow. Work on two other wells has begun. A pipe line connects this area with coastal ports and also with the Villar refinery. Last year output from this refinery met domestic needs and provided products for export to Ecuador and Chile. New markets in Argentina and Chile may be served by its products in the near future. If developments in Los Organos continue at the anticipated rate, the Villar refinery will soon be supplied by State-produced oil.

In order to permit the establishment of a sound and advanced petroleum policy, which includes just utilization of deposits scattered in the various zones of the territory, it has been decreed that the deposits in the montana be included in the State Reserve. The corresponding studies on these have been entrusted to specialized technicians, and, despite difficulties, exploration activities have been increased. The air-photographic and geologic map of the Cotamana region has been completed, and the favorable structures have been determined. The location of the first oil well has been determined on the left bank of the Ucayali River to the southeast of the Orellana. The necessary roads and camps are under construction, and preparations are being made for the transfer of the drilling equipment which is already in the country. In the Pirin region, Department of Puno, a new geological study has been made and the drilling of two wells has been started.

The survey made for the Government indicates that favorable structures exist in Sechura, Zaromia, and Beovar, where drilling is expected to begin in the near future. In the Province of Tumbes, the necessary lands have been acquired for domestic water lines and construction of warehouses and dwellings for the personnel in order that expansion of installations may proceed.

The construction of supply and distribution stations for petroleum is being continued in various places of the country and those at Pimental, Salaverry, Chancay, Lomas, Chala, Atocongo, Puno, Arequipa, and Mollendo have been completed. Distribution facilities at Callao are being expanded.

Conditions in Portugal's Petroleum Industry

Portugal's consumption of petroleum in 1943 was about 40 percent of its normal requirements, or 86,000 tons, as compared with 43,000 tons in 1942, and 180,000 tons in 1941, according to the foreign press. A refinery was built in Lisbon in 1940 for the purpose of producing from imported crudes finished products to meet 50 percent of domestic needs. The refinery was unable to get crude oil and had to curtail activities early in 1942, finally shutting down altogether before the end of that year because of shipping difficulties. Since then, finished products have been imported. In 1943 gasoline and fuel and gas oils accounted for about two-thirds of imports by volume, with kerosene and lubricating oil making up most of the remainder.

Indications are that both industry and agriculture in Portugal will be more widely mechanized in the post-war period. In the absence of alternative fuels, the demand for fuel and gas oils may increase to a marked extent. Whether "artificial" crude, a mixture of finished products blended in a required proportion, or finished products will be imported cannot be foreseen.

Drilling of Wells in Venezuela

A Venezuelan oil company has arranged with a United States company for the drilling of eight wells before March 31, 1947, on the concessions covering 326,117 acres, states the South American press. Four of the wells are to be drilled to 6,000 feet and four to 8,000 feet.

After the wells have been completed, the United States company will have a 30-day option on the purchase of a 50-percent interest in the concessions for $4,000,000, it is said.

Import Permits for Semitanned Goat and Sheep Skins: New Policy Adopted by WPB

A new policy has been adopted by the War Production Board with respect to the issuance of import permits for semitanned goat and sheep skins.

Semitanned skins from Iraq, Iran, and Syria are generally less in demand than skins of the same type from India, and are not as suitable for use in essential civilian products such as footwear, WPB's Leather and Shoe Division says. Henceforth, permits will be granted for the importation of these skins from Iran, Iraq, and Syria without regard to the applicant's previous participation in this business. This action does not remove these items from General Imports Order M–63. Applications on Form WPB–1041 (formerly PD–222C) must be made in the usual manner, WPB explains.

A change is also being made in the policy that will be followed in granting authorizations to import East India tanned sheep and goat skins. These skins, which are in great demand in Great Britain for military and essential civilian needs, were recently made subject to Combined Raw Materials Board control and are temporarily being allocated to the United Kingdom to assist in meeting minimum requirements.

When the resumption of United States buying of East India tanned goat skins and sheep skins takes place, those importers whose quotas were based on semitanned sheep and goat skins from Iran and Iraq, or on importations of other types of hides and skins from India, will not be permitted to participate in the importation of East India tanned goat or sheep. Availability of supplies is now the limiting factor that will determine how many skins are to be available for United States consumption, says WPB.

Rubber and Products

Production of Rubber Goods in Uruguay

Uruguayan production of rubber tires and tubes, as well as of mechanical rubber goods, was able to meet domestic demand reasonably well during the June 1944 quarter, but prices were sharply higher. Production of rubber goods in Uruguay is almost entirely in the hands of a single concern, which operates with the technical assistance of a United States company.

Shipbuilding

Launchings in Sweden

The launching in Sweden of a 6,000-ton motor vessel, *Bernhard Ingelsson*, was reported in the foreign press. The vessel is 375 feet long, 53 feet wide, and 34 feet deep with a draught of 23 feet 2½ inches. When fully loaded, a speed of 15 knots is expected.

The motorship, *Bengal*, 7,300 deadweight tons, launched on June 27 from Goteborg, is 430 feet long, 35 feet 6 inches deep to shelter deck, and has a draught of 34 feet 11 inches when loaded.

Textiles and Related Products

TEXTILE INDUSTRY, DOMINICAN REPUBLIC

Operations in the bag factory established in the Dominican Republic in 1942 were severely curtailed during June, July, and August 1944, because sisal was not available in sufficient quantities to warrant large-scale production.

Sisal experiments are now being conducted by the Government, and cultivation is being encouraged, in an effort to grow sufficient sisal to fill the needs of the domestic bag and rope factories.

Construction of a textile plant was nearing completion in August. Secondhand machinery was to have been installed.

Among the country's exports in the first 6 months of 1944 were 40.5 tons of coconut fiber, about 1 ton of animal hair and tails, 82.5 tons of cana straw, 13.7 tons of kapok, and 2.5 tons of straw hats. July exports included 26.4 tons of cana straw, 21 tons of kapok, and 3 tons of straw hats.

In the first quarter of this year 3,280 tons of jute bags were imported, as compared with 4,684.5 tons in like months of 1943. Imports of bags of other materials in the first quarter amounted to 134.3 tons in 1944 compared with 3,756.6 tons in the corresponding period of the preceding year.

Cotton and Products

COTTON OPENED AND PIECE GOODS IMPORTED, CANADA

In August 31,471 bales of cotton (500 pounds each) were opened in Canada, a slight improvement over the 29,195 bales consumed the preceding month but below the 34,205 bales opened in August 1943, according to a Canadian publication.

A total of 268,616 bales were opened during the first 8 months of 1944, as compared with openings aggregating 303,615 bales in the corresponding period of 1943.

In the first 6 months of this year 25,200,000 pounds of cotton piece goods were imported into Canada. Imports in the corresponding period of the preceding year totaled 32,200,000 pounds.

BELGIAN CONGO TRADE

In 1943 the Belgian Congo exported 41,332 metric tons of cotton, valued at $10,250,000 (United States currency). This amount was somewhat lower than the 42,037 tons exported in 1938 (the last normal year), with a value of only $7,303,000. Great Britain and Spain displaced Belgium and Italy as the leading purchasers.

British India led all other countries in supplying lower-priced textiles and apparel, the position formerly held by

Japan. Large shipments also were received from the United States at prices considerably higher than those demanded by Japan, and more recently by India. According to value, 26.45 percent of miscellaneous textiles came from British India, 16.77 from the United States, and 16.43 from Great Britain. In 1938 Japan accounted for 64.58 percent and Belgium 19.11 percent, the participation of the United States being almost negligible. When considering apparel, the percentage figures are somewhat misleading because of the variations in grades and values. The United States furnished 65.24 percent, by value; Great Britain, 13.07; South Africa, a newcomer in the trade, 10.28; and British India, 5.97. In 1938 Japan supplied 50 percent; Belgium, 26.11; Great Britain, 6.37; and the United States, 2.93.

Synthetic Fibers and Products

RAYON YARNS IN CANADA

A large reconversion program in Canada was practically completed in September, and production of approximately 6,500,000 pounds of high-tenacity rayon yarn for use in combat tires was under way, according to trade publications.

Imports of rayon yarn and staple fiber expanded in the first 7 months of this year. Receipts of single and thrown acetate and viscose and spun rayon yarns aggregated 3,777,914 pounds, as compared with 2,572,298 pounds in corresponding months of 1943. Imports of acetate yarns, single, totaled 2,011,529 pounds—much higher than in 1943. Acetate yarns, thrown, and spun rayon yarns were the only types which showed a decline. Staple-fiber imports amounted to 3,865,840 pounds, as against 3,596,049 pounds in the 7-month period of the preceding year.

Wool and Products

CANADIAN IMPORTS

During the first 7 months of this year only 3,811,496 pounds of wool fabrics were imported into Canada, more than 1,000,000 pounds less than the 4,818,630 pounds received in like months of 1943, reports a Canadian trade journal.

Worsteds and serges dropped to 2,165,790 pounds from 2,708,143 pounds; tweeds to 673,754 pounds from 978,319 pounds; and overcoatings to 335,544 pounds from 396,787 pounds. Shipments of all other types, including dress goods, linings, and plushes, also were lower.

Imports of raw wool in the first 7 months totaled 19,100,000 pounds, as compared with 50,800,000 pounds in the corresponding period of 1943; tops aggregated only 3,500,000 pounds, as against 5,600,000 pounds.

Miscellaneous Fibers

USE OF KENAF FIBER IN CUBA

This year's Cuban experimental crop of kenaf fiber (formerly known as roselle fiber) is to be mixed with other fibers for the manufacture of rope for domestic consumption.

About 100 acres of kenaf are to be planted for seed this fall, so that commercial-size plantings can be made in the spring.

JUTE FABRIC IN UNITED KINGDOM

Jute weavers in the United Kingdom are planning to create a wide range of fabrics which may enter various markets formerly held almost exclusively by goods made of older fibers, according to a British publication.

Jute fabric is reported to be highly satisfactory for use as linings in men's and women's suits, and also as an embroidery textile. Furniture upholstery could be fashioned from jute.

When covered with a plastic film and reinforced with a heavier backing, jute fabric is said to make an excellent material for wall paneling. It could be used even without the plastic base, it is claimed.

Wearing Apparel

SALES OF MEN'S AND WOMEN'S CLOTHING, CANADA

Sales in men's clothing stores in Canada in July were 25.5 percent lower than in June, but 0.3 percent above July a year ago, according to a Dominion trade publication.

July sales in women's clothing stores also declined, being 20.7 percent less than in June, but 0.3 percent higher than the corresponding month of 1943.

For the first 7 months of this year retail sales of men's wearing apparel were 5.4 percent higher than in like months of 1943, and sales of women's wearing apparel were 6.3 percent higher.

Tobacco and Related Products

SALE OF TOBACCO PRODUCTS TO SPANISH MONOPOLY, CANARY ISLANDS

Canary Island tobacco manufacturers successfully concluded in August 1944 a contract for the delivery of cigarettes to the Spanish Tobacco Monopoly at

Madrid. Negotiations for this contract were initiated early in 1944, but manufacturers have been trying for almost a year to increase the sale of Canary Island tobacco products to the Spanish Monopoly and even established in December 1943 a federation of manufacturers to analyze questions pertaining to monopoly contracts.

SUPPLY OF CIGARETTES IN ESTONIA

Almost no imports of tobacco have entered Estonia since the German occupation. However, the stocks which were an hand at the time were preserved. Several carloads of tobacco were brought in by the Germans from the Ukraine, but the leaf had been allowed to remain in stacks in the field during an entire winter and was therefore of little or no value.

Two factories were in operation in Estonia until February 1944, when one closed because of lack of raw material. The other one curtailed productive capacity 50 percent.

Special cigarettes were manufactured for the Germans from existing stocks of imported leaf, while Estonian inhabitants were given cigarettes made from low-grade Ukrainian tobacco and occasionally made from the stems only.

Although a fair-quality cigarette can be made from domestically grown tobacco, the quantity produced each year is insignificant. For example, the 1942 crop was stated to be used by one factory in a single fortnight.

Trade Policies After Victory

(Continued from p. 5)

United Kingdom." The Joint Declaration here referred to is the Atlantic Charter.

Other countries look to this country for reassurance that we will take action to implement these objectives. They must act soon, and, if they are left in doubt as to our desire to have international trade on as high and free a basis as possible, they will be compelled to look out for themselves and will turn again to restrictive nationalistic policies. But if we take advantage of our opportunity for international leadership we can open up to private initiative enormous opportunities for economic progress. In this progress the United States itself will obtain a large share of the benefits. It is hoped, therefore, that rapid progress can be made in the generalized system of reciprocal trade agreements.

Surplus-Property Liquidation

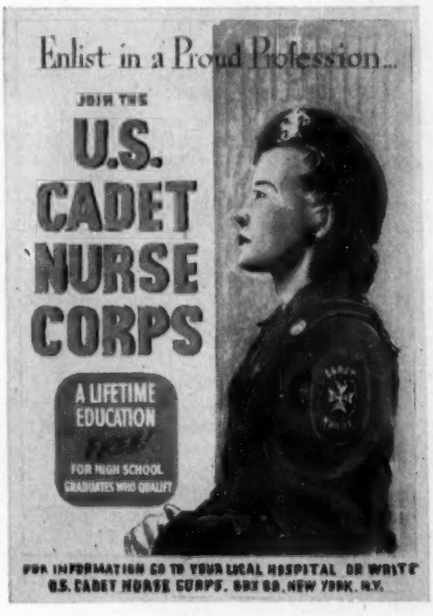
Particular care will have to be taken to assure that the disposal abroad of surplus property will interfere to the least possible extent with the export of newly manufactured American products.

Financing Exports

If we are to have a full flow of goods from the United States during the transition from war to peace, extensions of credit will doubtless be required. The principal difficulty in obtaining export orders will arise from the fact that many potential foreign customers will lack the means of payment. Some neutral and other countries have accumulated considerable quantities of dollars during the war, but many others have not. There are two important ways in which these countries can obtain dollars. They can sell goods and services to us or we can extend credit to them.

In the immediate post-war period the export of goods will be hindered in many countries by either the necessity for reconversion to peacetime production or the reconstruction of war-damaged industries, agriculture, and transport. In some countries, these difficulties will be temporary and foreign aid will be necessary only to obtain the materials necessary for reconstruction before exports can be provided. In some of the less-developed countries, on the other hand, such problems will be of long duration, and they will call upon us continuously for capital assistance over a longer period. Thus the ability of a number of countries to obtain dollars on loan will be one of the principal determinants of our foreign trade after the war.

Experience in recent years with farm and home mortgages in this country has shown that many borrowers who are poor risks at high rates of interest and short repayment schedules become good risks if the terms and maturities are adjusted to their capacity to pay. If proper precautions are taken, I am convinced that we may safely resume our foreign lending on a large and sound scale. Such financing might take the form of low interest rates and long maturities. In addition, we would be wise to ensure that the proceeds of the loans are used productively and contribute to the development of the borrowing country's ability to service its foreign debts. General action to stabilize foreign exchanges to provide against periodic collapses in the world demand for the raw materials and other products of debtor countries would further enhance the safety of their loans.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Risks Can Be Reduced

Some of the risks of these loans depend upon the political future of the world. If there is political insecurity, men and resources will be turned away from peaceful purposes to preparation for war. Attempts to achieve economic self-sufficiency will result in inefficient use of their resources. Governments acting in concert can greatly reduce these risks. Since they alone can act to minimize the political risks involved in foreign loans, governments can properly be expected to assume such non-business elements of risk and thus facilitate private lending abroad.

There is much to be said for the nations jointly guaranteeing foreign loans. They then have a joint interest in the maintenance of conditions that will permit the servicing of the loans. In essence the International Bank for Reconstruction and Development provides such a guarantee. It must be borne in mind, however, that the proposed bank is designed to supplement and not to supplant lending by the member nations. In fact, additional lending by the United States as well as other member nations will be necessary to finance reconstruction and development and maintain an export trade of the size that is necessary for our domestic economy on a full employment and production basis.

We have already seen that the volume of wartime exports approached $15,000,000,000 and that this is roughly four times our peacetime exports. From what we know of the needs of foreign countries for imports and their presently inadequate ability to pay for them, it is apparent that if a high level of exports is to be maintained it will be necessary for the United States Government to make and guarantee loans on favorable conditions in terms of the interest rates charged and the periods for payment. I believe that we can afford to take some risks, because to some extent we will be balancing one risk against another. The alternative—failure to lend—will result in a reduction in our exports from present high levels. The reduction of our foreign markets, like a reduction in our domestic markets, may result in unemployment, the full cost of which is difficult to measure but which may many times exceed any losses incurred in financing exports.

Guaranteeing Foreign Loans?

In addition to the extension of credit, careful consideration should be given to proposals for extending the practice of guaranteeing foreign loans. The idea is not, however, a new one. After the Government-insured bank deposits, there was never any hint of uncertainty on the part of depositors. Moreover, loans have been guaranteed within this country by the FHA and more recently, under war conditions, by the Federal Reserve System for war-production and contract-termination purposes, with

considerable success. They have also been guaranteed in the foreign field, to a limited extent, by the Export-Import Bank. The guaranteed loan has the general advantage that it necessitates the cooperation of the banker in appraising the loan and distributing the issue. Moreover, bankers can be left free to compete for the business of selling the bonds to the public. Apart from the controls I have mentioned over the spending of the loans to provide a means of servicing them, domestic business can be left free to compete in selling the goods upon which the borrowed funds are to be spent.

Risk-Insurance Question

I have already mentioned the British and American arrangements to provide government insurance (without subsidy) of foreign-trade risks. Generally speaking, the arrangement is for the government to take part of the credit risk on a short or moderately long credit up to, say, 10 years on individual transactions, or groups of transactions, in the export trade. The usual banking facilities carry the remainder of the risk. Premiums are fixed for each transaction, or set of transactions, and are designed to cover all anticipated losses. The Export-Import Bank of the United States has engaged in a number of such transactions.

I can foresee such large sales of industrial machinery, transportation, and utility equipment of various kinds that even large manufacturers would be unwilling to tie up their own capital over relatively long periods of time or take the risks involved. Government participation relieving bankers of part of the risk may make possible more reasonable terms and thus assist the export trade.

Smaller manufacturers and smaller exporters will have even greater need of financial assistance if exports are to be raised to a high level.

Large-Scale Financing Needed

If we take into consideration past experience in this field, it would seem that, if we are to achieve the level of exports which we have had during the war, relatively large-scale financing will be necessary in the peace. The scope of any such program will, of course, be a matter for the Congress to determine.

In closing, I should like to make one point very clear. I do not believe that whenever unemployment appears we should attempt to eliminate it by indiscriminate foreign lending. In the longer run, foreign loans must be made only when they facilitate additional production out of which interest and principal can be paid. But we must not be guided by present ability to pay. A soundly conceived program of foreign lending, such as I have outlined, will lead to such an increase in productivity throughout the world as will raise standards of living and increase ability to repay debts to levels never hitherto approached. However, we must prepare to take payment in goods and services.

Latin American Exchange Rates

NOTE.—Averages are actual selling rates for sight drafts on New York, in units of foreign currency, per dollar, with the following exception: Cuba—United States dollar to the peso. The peso of the Dominican Republic, the Guatemalan quetzal, and the Panamanian balboa are linked to the dollar at 1 to 1; the Haitian gourde is fixed at 5 gourdes to a dollar.

Country	Unit quoted	Type of exchange	Average rate			Latest available quotation		
			1942 (annual)	1943 (annual)	Aug. 1944 (monthly)	Rate	Approximate equivalent in U. S. currency	Date
Argentina	Paper peso	Official A	3.73	3.73	3.73	3.73	$0.2681	Sept. 16, 1944
		Official B	4.23	4.23	4.23	4.23	.2364	Do.
		Bid	4.94	4.94	4.94	4.94	.2024	Do.
		Free market		4.06	4.0450	4.035	.2478	Do.
Bolivia	Boliviano	Controlled	46.46	42.91	42.42	42.42	.0236	Sept. 26, 1944
		Curb	49.66	45.42	50.00	53.50	.01869	Do.
Brazil	Cruzeiro [1]	Official	16.50	16.50	16.50	16.50	.0606	Sept. 11, 1944
		Free market	19.64	19.50	19.565	19.50	.0513	Do.
		Special free market	20.52	20.43	20.30	20.00	.0500	Do.
Chile	Peso	Special	19.37	19.37	19.37	19.37	.0516	Sept. 23, 1944
		Export draft	25.00	25.00	25.00	25.00	.0400	Do.
		Free market	31.75	32.37	31.69	31.90	.0313	Do.
		"D. P." [2]	31.13	31.00	31.00	31.00	.0323	Do.
Colombia	do	Commercial bank	1.75	1.75	1.75	1.746	.5727	Do.
		Bank of Republic	1.76	1.76	1.76	1.755	.5698	Do.
		Curb	1.77	1.76	1.75	1.75	.5714	Do.
Costa Rica	Colon	Uncontrolled	5.71	5.65	5.6776	5.68	.1760	Aug. 30, 1944
		Controlled	5.62	5.62	5.62	5.62	.1779	Do.
Cuba	Peso	Free	1.00	1.00	1.00	1.00	1.0000	Sept. 23, 1944
Ecuador	Sucre	Central Bank (official)	14.39	14.10	14.10	14.10	.0709	Sept. 26, 1944
Honduras	Lempira	Official	2.04	2.04	2.04	2.04	.4902	Sept. 5, 1944
Mexico	Peso	Free	4.85	4.85	4.85	4.85	.2062	Sept. 15, 1944
Nicaragua	Cordoba	Official	5.00	5.00	5.00	5.00	.2000	Sept. 16, 1944
		Curb		5.16	5.76	5.60	.1785	Do.
Paraguay	Paper peso	Official	333.00	[3] 333.00				
	Guarani [4]	do		3.10	3.09	3.09	.3236	Sept. 5, 1944
Peru	Sol	Free	6.50	6.50	6.50	6.50	.1538	Sept. 23, 1944
Salvador	Colon	do	2.50	2.50	2.50	2.50	.4000	Sept. 5, 1944
Uruguay	Peso	Controlled	1.90	1.90	1.90	1.90	.5263	Sept. 23, 1944
		Free	1.90	1.90	1.90	1.90	.5263	Do.
Venezuela	Bolivar	Controlled	3.35	3.35	3.35	3.35	.2985	Sept. 5, 1944
		Free	3.45	3.35	3.35	3.35	.2985	Do.

[1] Under law of Oct. 6, 1942, the cruzeiro became the unit of currency, replacing the milreis. Since Nov. 1, 1942, exchange quotations have been in terms of cruzeiros and centavos to the dollar.
[2] Disponibilidades proprias (private funds).
[3] Used until Nov. 7, when the paper peso was replaced by the guarani.
[4] New currency unit instituted as of Nov. 8, 1943.

NOTE.—Special rates apply to automotive equipment and agricultural machinery imported from the United States into Argentina.

Dissipating a Myth

It is important that we recognize the absence of any foundation in fact for the oft-expressed fears that industrialization abroad will destroy this country's ability to export profitably. It is indeed reassuring that the forward-looking business groups engaged in post-war planning are themselves working actively to dissipate this myth. Our foreign trade has actually been greatest with those countries which like Great Britain have been relatively the most highly industrialized. I am confident that in the future, too, industrialization will be found to promote international trade.

To Raise Living Standards

The post-war world will be united in two objectives, namely, to prevent still another and more destructive war and to maintain full employment and raise the standard of living of the people. We have seen some of the factors which make it important for this country, as a matter of self-interest, to promote foreign trade in the interests of full employment and production. Pacts to ensure military security, financial stability, and other similar and necessary purposes can be successful only if they are accompanied by full employment and production and a rising standard of living in this and the other countries of the world.

Sterling Balances and Britain's External Debt

(Continued from p. 8)

Relations With India

In November 1939 the British Government and the Government for India signed a financial agreement which has continued to govern the conditions under which the financial aspects of India's participation in the war have been conducted. The agreement provided that India pay for all land forces raised, trained, and equipped, from Indian resources, but only so long as they remained in India. Britain, for its part, agreed to pay for all imported material and to meet all capital expenditure in-

Trade-Mark Applications

Brazil.—Notice of applications for registration of the following trade-marks was published in the Diario Oficial. Opposition must be filed within 60 days from the date of publication:

Trade-mark	Class No. and product	Date of publication
		1944
Aminofilina Isa	3—A pharmaceutical and medicinal preparation.	Oct. 2
Sulfaguanidina Isa	do	Do.
Combatin	do	Do.
Farmoguanidina	2—A veterinary product	Do.
Farmotiazol	do	Do.
Panbral	3—A pharmaceutical and medicinal preparation.	Do.
Polisten	do	Do.
Nevresil	do	Do.
Katafil	do	Do.
Eugastril	3—A pharmaceutical product.	Do.
Rosabelle	36—Articles of clothing. 37—Underwear, table and bed ware.	Do.
Cotolin	23—Cotton piece goods of all kinds.	Do.
Clipper	40—Furniture and upholstery.	Do.
Premier	10—Instruments, apparatus, and contrivances for surgical or curative purposes, or in relation to the health of man or animals.	Oct. 3
Neovital	3—A pharmaceutical product.	Do.
Alligator	12—Metal goods not included in other classes.	Do.
The Stanley	36—Articles of clothing	Do.
Pentabeon	3—A pharmaceutical product.	Do.
Pentapur	do	Do.
Stibo-3	do	Do.
Bismoemetin	do	Do.
Pentatox	do	Do.
Pentagripan	do	Do.
Rex	17—Engineering, architectural, and building contrivances.	*1944* Oct. 3
Douglas	35—Hides, skins, unwrought and wrought, and articles made of leather goods not included in other classes.	Do.

Colombia.—Notice of applications for registration of the following trade-marks was published in the Diario Oficial. Opposition must be filed within 30 days from the date of first publication.

Trade-mark	Product	Date of publication
		1944
Purex	Covering medicinal and veterinary articles such as gauze, bandages, tape and cotton.	Sept. 22
Tirosan, Tirovarin	Covering pharmaceutical and veterinary products.	Do.
Afelan, Vitolan, Neo-Septisan.	do	Do.
Packard, Aldany	Covering shoes of all kinds; also men's wearing apparel.	Do.
Endodermil	Covering products used in medicine, pharmacy, veterinary, and hygiene.	Do.
Stratopen	Covering fountain pens, general stationery and drawing articles.	Do.
Bugonol	Covering medicinal, pharmaceutical, veterinary, and hygienic products, also perfumery and toiletries.	Sept. 29

curred in India on airfields or comparable installations. Any troops that left India, or any expenditures incurred outside of India even though considered as being for the defense of India, were to be supported by the British Treasury and not by India. It has since been pointed out that this agreement was sound under the conditions then prevailing when it was expected that India would remain out of the orbit of war and would send only small bodies of troops to other fronts.

Until December 1941 there was little alteration in these conditions, but the entry of Japan into the war changed the situation. It has been stated that the British Government attempted to obtain a new agreement which would take into account this change, but the representatives of the Government of India won their point, and the old agreement remained in force. As a result, the expenditures of the British Government increased substantially, and over the last 4 fiscal years have exceeded the expenditures of the Indian Government by no less than £178,000,000, and have totaled approximately £723,000,000.

Largely as a result of these expenditures and the export of goods, India has been able to accumulate vast sums of sterling exchange. Under ordinary circumstances this sterling would be available for purchases of imported goods, but with restricted supplies and the shipping shortages it has been impossible for India to utilize the surplus sterling for this purpose. What India has done, however, has been to repatriate virtually all of its external sterling public debt through agreement and cooperation with the British Treasury, and, in addition, India has settled the obligations of the railway annuities by a present payment and has taken over British holdings of 12 Indian Railway debentures. By the end of the fiscal year 1942–43 the bottom of the barrel was being scraped, and the small amount left was not susceptible to vesting.

It is not known to what extent private businesses in India have had their debt or ownership transferred from British to Indian hands, since vesting has been confined to stocks of the Government of India or issues guaranteed by it. Compared with official repatriation, unofficial or private operations of this type have been insignificant, but there have been indications that transfers have taken place, particularly in the sale of tea plantations. Pre-war estimates of British investments in Indian enterprises were highly variable, but a conservative estimate has placed the amount at between £200,000,000 and £250,000,000, of which probably not more than £10,000,000 or £15,000,000 have changed hands.

Despite the tremendous official repatriations, India still has been able to accumulate immense sterling balances. The official holdings of the Reserve Bank of India increased from £55,700,000 at the end of August 1939 to approximately £536,600,000 at the end of August 1943, and to £752,000,000 in July 1944. Until the official repatriation was completed the advance was slowed down by application of these funds to transfer operations, but since 1943 there has been no real alternative open to the holding of sterling, although of late there has been the softening effect of official gold sales in the Indian market. In addition to the Reserve Bank's holdings, it is known that the commercial exchange banks also hold large balances in the London market. All told, the capital position of India has shifted by something over £1,000,000,000 in less than 5 years.

Other Repatriations

The table which follows furnishes a convenient, although not necessarily complete, statement of the amount of British oversea investments expended, whether through liquidation or repatriation operations, to the end of 1943. The total of £860,000,000 compares closely with the estimate given by Sir John Anderson, the Chancellor of the Exchequer, in his last budget speech when he referred to the disposal of oversea assets as having amounted to £1,000,000,000. The difference may be easily accounted for by variation in the valuations or by repatriations and redemptions which are not visible. Outside of India and Canada, the Union of South Africa is the only Empire country that has engaged in large-scale repatriation. At the end of 1943 the Union Minister of Finance declared that the total amount of the sterling debt repatriated with the assistance of the British Treasury amounted to £75,000,000, and that there was virtually no debt left which the Union of South Africa could repatriate.

Official repatriation, however, represents only a part of the capital transactions which have been occurring, since there has been a rather steady transfer of private securities, primarily gold-mining shares, from British to South African hands. One estimate has placed the amount of shares so transferred since 1939 at over £50,000,000, and dividends on gold-mining shares paid overseas have decreased from 56.5 percent of the total in 1939 to 44.9 percent in 1943.

Other Empire countries have not been in the same position, either because—as in the case of Eire—there was no debt to redeem, or—as in the cases of Australia and New Zealand—they have not felt financially strong enough to undertake large-scale operations. Indeed, the latter two countries were forced to obtain advances from the British Treasury early in the war, and, so far as is

known, New Zealand still has not been able to repay all of the advance made.

Besides the Empire and the United States, Egypt and Argentina have been the outstanding repatriating countries. In both instances British purchases and expenditures have been largely responsible for their being able to do so. Undoubtedly other countries have reduced their sterling debt through regular amortization payments, and although individually the sums may be small, in total they may be large enough to add considerably to the £985,000,000 shown in the following table. Furthermore, private transfers of which we have no record may well have occurred, and it is quite likely that the sum total of British oversea investments sold and pledged is well over the £1,000,000,000 mark, with the end not yet in sight. Present indications are, that before the year's end another £50,000,000 or more may be liquidated, exclusive of any action that India may take toward repatriating business investments held by British interests in that country.

British Oversea Investments Expended, 1939–43

[In millions of pounds]

Country of repatriation	Investment	
	Government	Business and private
India	322	10
Canada	158	28
South Africa	75	50
Australia	5	(1)
Egypt	12	(1)
Argentina	22	3
Total	594	91
United States:		
Sold	175	
Pledged	[2]125	
Total	300	
Grand total—sold and pledged	985	

[1] Not known.
[2] Excluding some £50,000,000 invested in British insurance companies and branches in the United States, the earnings of which were pledged against the RFC loan.

Conclusion

It is obvious from the foregoing discussion that the United Kingdom has drawn heavily on its external financial resources during the course of the war, and that still further depletion may be anticipated, although the rate of depletion may be slower than heretofore. In addition, Britain has experienced a rapid and substantial increase in the size of its external liabilities, and this aspect of the situation will be treated at length in part II of this series which will appear in the next issue of FOREIGN COMMERCE WEEKLY, and the over-all discussion of the implications involved in Britain's altered creditor position will be reserved for the third and final article of the series.

DEFINITION OF STERLING AREA

The first Defence (Finance) (Definition of Sterling Area) Order was S. R. O. No. 1256 of July 17, 1940, issued in pursuance of Regulation 10 of the Defence (Finance) Regulations (S. R. O. 1939 No. 1620 and 1940 No. 1254) which provided that the expression "sterling area" is defined as meaning the United Kingdom, the Isle of Man, and such other territories as may be declared by order of the Treasury to be included in the sterling area.

Definition in this Order:

The territories which, in addition to the United Kingdom and the Isle of Man, are included in the sterling area are any of the following territories, excluding Canada, Newfoundland, and Hong Kong, that is to say—

(a) Any dominion.
(b) Any other part of His Majesty's dominions outside the British Islands.
(c) Any territory in respect of which a mandate on behalf of the League of Nations has been accepted by His Majesty and is being exercised by His Majesty's Government in the United Kingdom or in any dominion.
(d) Any British protectorate or protected State.
(e) Egypt, the Anglo-Egyptian Sudan and Iraq.

However, the Currency Restrictions Exemptions Order (No. 1168), dated September 3, 1939, exempted from the restrictions on export of foreign currency all of the above-enumerated territories except those under (e), but these were added by an order of September 28, 1939 (No. 1345).

Sterling Area Order (No. 73) of January 22, 1941, revokes (No. 1256 of 1940) but merely adds to the former definition:

(f) The Belgian Congo and Ruandi-Urundi.

Definition of Sterling Area (No. 2) Order (No. 415) of March 29, 1941, added:

(g) The following territories under the control of the Council of Defence of the French Empire: French Equatorial Africa, Camerouns under French Mandate, French Oceania, French Establishments in India, and
(h) Iceland and the Faroe Islands.

Definition of Sterling (No. 3) Order of May 5, 1941 (No. 632) drops Iraq from (e) of original Order.

Definition of Sterling Area (Amendment) Order of July 31, 1941 (No. 1124), substitutes the words "Canada and Newfoundland" for the words "Canada, Newfoundland, and Hong Kong."

Order (No. 4) of September 15, 1941 (No. 1423), adds Syria and the Lebanon to paragraph (g).

Order (No. 5) of November 28, 1941, adds Iraq to paragraph (e).

Order of December 24, 1942 (No. 2626), adds Madagascar and its dependencies as paragraph (h) and redesignates Iceland and the Faroe Islands as paragraph (i).

The most recent definition of the sterling area is that contained in Order 129, dated February 8, 1944, which excluded the French territories formerly in the sterling area and reads as follows:

* * * * *

2. The territories which, in addition to the United Kingdom, are included in the sterling area are any of the following territories excluding Canada and Newfoundland, that is to say—

(a) Any dominion.
(b) Any other part of His Majesty's dominions outside the British Islands.
(c) Any territory in respect of which a mandate on behalf of the League of Nations has been accepted by His Majesty and is being exercised by His Majesty's Government in the United Kingdom or in any dominion.
(d) Any British protectorate or protected State.
(e) Egypt, the Anglo-Egyptian Sudan and Iraq.
(f) The Belgian Congo and Ruandi-Urundi.
(g) Iceland and the Faroe Islands.

Trade Lists

The Commercial Intelligence Unit has recently compiled the following trade lists, of which mimeographed copies may be obtained by American firms from the Bureau of Foreign and Domestic Commerce by referring to the titles. The price is $1 per list for each country.

Advertising Media—Bolivia, Dominican Republic, Ecuador, Columbia, Costa Rica, Haiti, Honduras, Mexico, Panama, Peru, Uruguay, Venezuela.

Beverages, Manufacturers—Honduras, El Salvador.

Boots and Shoes, Importers and Dealers—Haiti.

Flour Mills—Uruguay.

Hospitals—Dominican Republic, Haiti.

Hotels—Barbados.

Lumber, Importers, Agents, and Exporters—Ecuador.

Machinery, Importers and Distributors—Dominican Republic, Ecuador, Guatemala, Uruguay.

Medicinal and Toilet Preparations, Manufacturers—Paraguay.

Motion-Picture Industry—Ecuador, Haiti.

Motion-Picture Theaters—Haiti.

Paper and Stationery, Importers and Dealers—Costa Rica, Guatemala.

Radios and Radio Equipment, Importers and Dealers—El Salvador.

Sawmills—Dominican Republic, Ecuador, Guatemala.

Brazil's Specialty Products of Vegetable Origin

Noncultivated specialty products of vegetable origin in Brazil during 1942 were valued at 735,952,000 cruzeiros, based on a total production of 270,281 metric tons, according to statistics released by the Brazilian Ministry of Agriculture. Production and value of certain individual items were as follows: Babassú, 56,786 tons, valued at 76,051,000 cruzeiros; Brazil nuts, 21,211 tons, valued at 40,729,000 cruzeiros; carnauba wax, 8,852 tons, 178,992,000 cruzeiros; licuri seeds, 14,891 tons, 25,315,000 cruzeiros; licuri wax, 2,474 tons, 29,683,000 cruzeiros; and oiticica oil, 12,832 tons, 19,718,000 cruzieros.

Nazi "Egoists" Hoarding Drugs?

Germans have been warned by the Reich Apothecary-General to refrain from irresponsible hoarding of drugs, reports the foreign press. The Nazi official alleged that there were "careless and inconsiderate egoists" who create artificial shortages by hoarding.

U. S. Export Control and Related Announcements

(Developments communicated to the Trade Controls Unit up to Monday, October 23, 1944.)

The Requirements and Supply Branch, Bureau of Supplies, Foreign Economic Administration, has issued the following Current Export Bulletins:

No. 571—Current Export Bulletin No. 201, October 19, 1944

POSTPONEMENT OF EFFECTIVE DATE OF CURRENT EXPORT BULLETIN No. 197 (Announcement 567 in FOREIGN COMMERCE WEEKLY for October 14, 1944).

(EXPORTS OF RUBBER AND RUBBER PRODUCTS)

Rubber Reserve Company has advised the Foreign Economic Administration that the effective date of the provisions of Current Export Bulletin No. 197, regarding exports of rubber and rubber products, has been postponed indefinitely pending certain readjustments. Accordingly, exporters may disregard until further notice the requirements set forth in the Bulletin when exporting rubber and rubber products.

When the necessary readjustments have been completed, the revised procedure will be announced and a new effective date set sufficiently in advance to allow exporters ample time to make necessary preparations for compliance.

No. 572—*Current Export Bulletin No. 202, October 21, 1944*

COMMODITIES EXPORTABLE TO MIDDLE EAST DESTINATIONS

A. Applications for export licenses to the following countries of the Middle East will be received for the items listed in paragraph D:

Aden and Aden Protectorate (including Kamaran Island, Perim Island, and Sokotra Island)
Anglo-Egyptian Sudan
British Somaliland
Cyprus
Egypt
Eritrea
Ethiopia
French Somaliland
Iran
Iraq
Libya (including Cyrenaica and Tripolitania)
Palestine
Saudi Arabia
Syria and the Lebanon
Transjordan
Yemen

B. Applications for export licenses to these countries shall be submitted to the Foreign Economic Administration on Form FEA 419 in accordance with the procedure described in Current Export Bulletin No. 188 (Announcement 557 in FOREIGN COMMERCE WEEKLY for September 9, 1944). The country symbol for each destination above is "MI-ES" and should be noted under question three of the application.

C. Exporters are advised that because of local production, lack of need, the existence of local stocks, or other special circumstances peculiar to any one of the destinations, export licenses for some of the items below will not be granted to all of the Middle East countries listed in paragraph A. The publication of this list does not in any way affect existing import controls in the Middle East.

D. The following list of commodities exportable to the Middle East destinations above will be revised constantly; additions or changes will be published from time to time in subsequent Current Export Bulletins. It is unlikely that applications will be approved for items not on this list, but special approval may be granted where such applications are covered by valid import licenses approved by the Middle East Supply Center in Cairo. Inquiries concerning this list should be sent to the attention of the Middle East Division, Foreign Economic Administration.

Commodities Exportable to the Middle East Areas Listed in Paragraph A:

Food, Drink, and Tobacco:
- Baby food.
- Glucose.
- Hops.
- Lecithin.
- Malt.
- Milk, tinned and powdered.
- Rennet.
- Saccharine.
- Starch, edible.
- Tobacco—
  - Imported Virginian, unmanufactured leaf.
  - Cigarettes.
  - Pipe tobacco.
- Vanillin.
- Whiskey and Gin.

Fats and Oils:
- Oleomargarine.

Chemicals:
- Acids—
  - Acetic acid
  - Acetic anhydride.
  - Boric acid.
  - Formic acid.
  - Gallic acid.
  - Hydrocyanic acid.
  - Lactic acid.
  - Oleic acid.
  - Oxalic acid.
  - Phosphoric acid.
  - Pyrogallic acid.
  - Tannic acid.
- Alkalis—
  - Ammonia aqueous.
  - Potassium hydroxide.
  - Potassium carbonate.
  - Sodium borate.
- Explosives, including blasting powder, gelignite dynamite, fuses, detonators, and caps.
- Fungicides, insecticides, and fumigants—
  - Arsenious oxide.
  - Barium fluosilicate.
  - Barium chloride.
  - Carbon tetrachloride-ethylene dichloride mixture.
  - Cupric acetoarsenite.
  - Formosol.
  - Horticultural sulphur washes.
  - Rotenone.
  - Sodium fluoride.
  - Sodium fluosilicate.
  - Sulphur.
  - White oils.
  - Wood preservative.
  - Zinc phosphide.
- Gums and resins—
  - Albumen.
  - Colophony.
  - Dextrine gum.
  - Maize starch.
  - Potato starch.
  - Resins (synthetic).
  - Washing starch.
  - Wheat starch.
- Inorganic chemicals—
  - Alumina hydrate.
  - Ammonium bichromate.
  - Ammonium bifluoride.
  - Ammonium alum.
  - Ammonium phosphate.

Chemicals—Continued.
- Inorganic chemicals—Continued.
  - Antimony oxide.
  - Cadmium bromide.
  - Calcium carbide.
  - Calcined magnesia.
  - Cerium and thorium nitrate.
  - Ferric sulphate.
  - Ferrous sulphate.
  - Magnesium carbonate.
  - Manganese linoleate.
  - Manganese sulphate.
  - Phosphorus.
  - Potassium acetate.
  - Potassium bisulphite.
  - Potassium bichromate.
  - Potassium chlorate.
  - Potassium cyanide.
  - Potassium ferrocyanide.
  - Potassium ferricyanide.
  - Potassium persulphate.
  - Potassium permanganate.
  - Silver nitrate.
  - Sodium aluminate.
  - Sodium bichromate.
  - Sodium chlorate.
  - Sodium fluoride.
  - Sodium metabisulphite.
  - Sodium nitrate.
  - Sodium nitrite.
  - Sodium selinite.
  - Sodium phosphate.
  - Sodium sulphate.
  - Sodium sulphide.
  - Sodium sulphite.
  - Titanium oxide.
  - Zinc chloride.
  - Zinc sulphate.
  - Zinc sulphite.
- Oils—
  - Alboleum.
  - Pine oil.
  - Sod oil.
  - Whale oil.
  - Wool spinning oil.
- Organic chemicals, n. e. s.—
  - Acetone.
  - Ammonia, muriate of.
  - Aniline dyestuffs.
  - Aniline oil and hydrochloride.
  - Carbon tetrachloride.
  - Cobalt acetate.
  - Cobalt linoleate.
  - Cobalt naphthenate.
  - Cobalt oxide.
  - Diacetyl.
  - Diethyleneglycol.
  - Formaldehyde.
  - Glue, animal.
  - Hydroquinone.
  - Lead acetate.
  - Lead linoleate.
  - Lead naphthenate.
  - Lead sulphate.
  - Metaphenylene diamine.
  - Methyl diamino phenol.
  - Para nitraniline.
  - Phenol.
  - Pyridene.
  - Sodium benzoate.
  - Tartar emetic.
  - Tricresyl phosphate.
  - Twitchell reagent.
  - Urea.
  - Xylene.
- Pigments and paints—
  - Activated carbon.
  - Aqueous finishes.
  - Boot polish.
  - Cadmium bromide.
  - Carbonet.
  - Carbon black.
  - Glaze prepared.
  - Kodalk.
  - Litharge.
  - Organic lake pigments.
  - Prussian blue.
  - Red lead.
  - Zinc oxide.
- Rubber accelerators and antioxidants—
  - Aldolalphanaphtylamine.
  - Diphenylguanidine.
  - Mercaptobenzthiazol.
- Waxes, natural and synthetic—
  - Chlorinated naphthalene.
  - Paraffin.

Drugs and Medical and Health Supplies (All).

Rubber:
- Truck, bus, and motor car tires.
- Electric cable.
- Mechanical spares.
- Transmission belting.
- Conveyor belting including Vee rubber belting.
- Hoses.
- Jointing including rubber asbestos.

Lumber:
- Box shooks.

Paper:
- Book paper, not coated, including esparto paper, mechanical and middle-fine printings.
- Surface coated and cover paper (including Chrome paper, 1- and 2-sided art paper, and leatherette).
- Cigarette paper, including bobbins, booklets, mouthpiece and pocket paper.
- Converted paper products—
  - Adding machine and cash register paper.
  - Boxes and cartons, heavy and other.
  - Envelopes.
  - Gummed paper, including gummed tape.
  - Monotype paper.
  - Paper bags, heavy, and other.
  - Printed copy books.
  - Stationery, office paper and supplies, including filing folders, index cards, etc.
  - Other special type paper and paper products, including match paper, box covers, banderolls, and labels.
- Paper board (cardboard)—
  - Bristols and bristol boards, including index board.
  - Kraft container board.
  - Other box board, including newsboard, manila board, duplex and triplex board, and pasteboard.
  - Other paper board, including matchboard, presspahn, and leather board.
- Poster paper.
- Tissue paper—
  - Cigarette and citrus wrappings.
  - Toilet paper.
  - Other tissue and crepe, except Stereo tissues.
- Wrapping paper—
  - Cellophane
  - Greaseproof and waterproof paper, including imitation greaseproof, vegetable parchment, waxed paper, and bitumen coated or lined paper.
  - Wrapping paper except Kraft.
  - Kraft paper.
- Writing paper—
  - Papeteries and fancy stationeries.
  - Writing paper, including manifold, bank paper, bond paper, cream wove and cream laid paper, ledger paper, duplicator paper, tracing paper except tissue, and Whatman drawing paper.
- Miscellaneous paper—
  - Blotting and absorbent paper, except filter and Stereo.
  - Sheathing and building paper, including roofing felt.

Textiles:
- Cordage and ropes, including cotton string, twines, ropes, and seine twine for fishnets, but excluding hemp and manila.
- Cotton piecegoods, including chambray, cheviot, and other shirtings, cambric, pique and haircord, linings, ticking, sateens, printed and dyed poplins, flannelette, limbric, print goods, unbleached grey sheetings, towelling, etc.
- Cotton yarn.
- Second-hand clothing.

Nonmetallic Minerals and Manufactures:
- Cement, refractory.
- Corundum.
- Crockery, domestic.
- Feldspar, including potash and soda feldspar.
- Fluorspar.
- Glassware, domestic.
- Graphite, including foundry, blocks, crucibles, and lubricating.
- Kaolin, china, and ball clay.
- Lamps, globes, and chimneys.

Nonmetallic Minerals and Manufactures—Continued.
- Lighter flints.
- Plate and window glass.
- Refractories, glass.
- Refractory bricks.
- Refractory clay.
- Sanitary ware.
- Terra fossil (diatomaceous earth).

Metals:
- Antimony and Babbitt metal, regulus, needle, or liquidated, including alloys and type metal in crude and semimanufactured form.
- Brass and bronze, including angles and bars, unfinished shaftings, blanks, castings and forgings, channels, circles, die stocks, bearings and bushings, ingots and commercial shapes, woven wire and all other manufactures.
- Copper—
  - Pipes and tubes.
  - Refined, in bars, billets, cakes, cathodes, ingots, slabs, etc.
  - Wire, bare.
- Ferroalloys—
  - Ferrocarbon titanium.
  - Ferrochrome.
  - Ferromanganese.
  - Ferromolybdenum.
  - Ferrosilicon.
  - Ferrotungsten.
  - Ferrovanadium.
  - Spiegeleisen.
- Iron and steel—
  - Castings, including cast iron, malleable iron, and wrought iron.
  - Semimanufactures—
    - Band, hoop, scroll, and strip.
    - Bars and rods, including square, flat, and round mild steel bars, black round bars, and steel, cast iron, and ferrous welding rods.
    - Billets and blooms.
    - Binding and barbed wire.
    - Castings and forgings.
    - Fabricated structural shapes, including T sections, angle iron and joists.
    - Galvanized sheets.
    - Plates, including black.
    - Rails.
    - Rolled steel section including piling.
    - Sheets below ⅛ inch.
    - Wire rod.
- Special Steel—
  - Bright drawn steel.
  - Castings and forgings.
  - Die steel cutting.
  - Die steel forging.
  - Horse shoe steel.
  - Manganese steel.
  - Nickel steel.
  - Razor blade steel.
  - Shear steel.
  - Silver steel.
  - Spring steel.
  - Stainless steel, including stainless steel welding rods.
  - Tool steel, including tips.
- Lead manufactures, including anodes, castings caulking yarn, circles, discs, rings, flanges, foil, fuse wire, laminated lead, lead plate or battery plate, plugs, battery mud, sections, sheets, pipe and bends, sinkers, solder, strips, tape, washers, wool, wire, and other manufactures.
- Mercury.
- Nickel, except ore, concentrates and matte, but including alloys, monel metal, chrome electric resistance wire, metal ingots, bars, grains, rods, sheets, strips, shot, plates, and all other manufactures.
- Zinc—
  - Alloys.
  - Battery shells and parts.
  - Slabs, plate, or blocks.
  - Die castings including bungs.
  - Die castings, other forms, n. e. s.
  - Dust, shavings, and filings.
  - Lithographic sheets.
  - Manufactures; all others.
  - Photoengraving sheets and plates.
  - Printing blanks.
  - Rolled, in sheets and strips.

Metals—Continued.
- Zinc—Continued.
  - Wire.
- Agricultural machinery—
  - Churns, butter.
  - Combines or reaper threshers.
  - Cultivating implements and parts.
  - Diggers, potato.
  - Ditchers.
  - Drills and seeders.
  - Dusters, hand.
  - Feed cutters, grinders, and crushers.
  - Harrows.
  - Harvesters and binders.
  - Hay presses, hand and power.
  - Lifters, potato.
  - Listers, corn.
  - Land Levelers.
  - Mills, roughage.
  - Mowers.
  - Pickers, corn.
  - Ploughs, horse and power.
  - Pumps and spares.
  - Scrapers.
  - Separators, milk and cream.
  - Shellers, corn and rice.
  - Sorters, potato.
  - Spare parts for agricultural machinery.
  - Sprayers.
  - Terracers.
  - Threshers.
  - Tractors, tracklaying and wheel.
  - Irrigation pumps and spares.
- Cinema equipment—
  - Equipment and projectors, 35 mm.
  - Projectors, substandard gauge, 16 mm., sound and silent, spares only.
  - Recording equipment and spares.
  - Sound reproducing equipment and spares.
  - Cinema carbons.
  - Electrodes for projector lamps.
- Construction and conveying equipment—
  - Bulldozers, angle dozers, trail builders, brush cutters, etc.
  - Concrete mixers (including paving machines).
  - Construction equipment, all other, and parts (including pile frames).
  - Conveying equipment, other, and parts (including worm pneumatic ropeway).
  - Conveyors, dredge, chain, or belt.
  - Cranes, swinging boom.
  - Cranes, other, gantries, and spares.
  - Dredging machinery parts.
  - Elevators, spares only.
  - Excavator and power shovels.
  - Excavator parts and accessories, other.
  - Graders, pull or push type, and spares.
  - Graders, self-propelled, spares only.
  - Graders, all others (including elevating), spares only.
  - Hoists, except mining.
  - Road machinery and parts, all other (including rooters, rippers, levelers, road drags, and bituminous distributors).
  - Road rollers.
  - Scrapers, self-loading.
- Electrical machinery—
  - Amplifiers and pick-ups.
  - Armatures.
  - Batteries, storage, n. e. s. (excluding 6- and 12-volt vehicles).
  - Capacitors, ½ kwh amperes and over.
  - Chargers, battery, including rectifier tubes.
  - Commutators.
  - Conduits, electric.
  - Conduits, other, outlet and switch boxes, metal.
- Convertors—
  - ¾ but not over 300 kwh and spares; rotating under ¾ kwh.
  - Spare parts for convertors, over 300 kwh, rotating.
- Fans, electric.
- Generators—
  - Steam and hydro-turbine, 500 kwh and over.
  - Accessories and parts for hydro and steam turbine sets.
  - Generators, under ¾ kwh, alternating current.
  - Generators, direct current, over and under ¾ kwh.

Metals—Continued.
Generators—Continued.
Generators, wind driven.
Generator sets, powered by Diesel engines, assembled or unassembled, over and under 100 kwh.
Heating devices and parts, industrial and other.
Indicating instruments, electric and other, including pyrometers, level indicators, and electrical tension ductility, compression, hardness, torsion, and flaw testing machines.
Measuring instruments for precision parts used in metal-working industries (electric).
Self-contained lighting, complete, other than diesel.
Meters, measuring watt hour and other.
Motors, including under ½, ½ to 1, and 1 to 200 horsepower.
Motor accessories and parts.
Radio receiving sets and accessories, excluding valves and batteries.
Recording instruments, electrical.
Regulators, feeder voltage, including induction and step type feeder voltage regulators and spares.
Rectifiers, mercury power, and tubes.
Rheostats and elements for—
Electric railway and vehicle motors and elements.
Industrial motors and elements.
Starting and controlling equipment and parts for electric railway, vehicle motors, and industrial motors.
Starting, lighting, and ignition equipment and parts.
Switches and circuit breakers, under and over 10 amperes, nondomestic.
Testing apparatus and parts, other electrical.
Transformers, including distribution over and under 500 kilovolt amperes, instruments, and other transformers.
Materials and fittings, electrical—
Arrestors, lighting.
Carbon brushes.
Electrodes, carbon for furnaces, arc lamps, cinema projectors, etc.
Fuses, industrial and domestic (over and under 10 amperes).
Insulators, industrial, including sheets, tubes, and other insulating materials, and insulators, dynamo.
Lamp holders and sockets.
Miscellaneous electric fittings.
Plugs.
Presspahn.
Switches.
Tape, insulated.
Vulcanized fibre.
Wire, cable, including lead sheathed.
Wire, insulated, winding, enameled, nickel chrome resistance, and other; wire fuse.
Industrial machinery, including power—
Air compressors and blowers, stationary, and portable with prime movers.
Air conditioning equipment and parts including blowers when part of complete sets.
Bakery machinery parts.
Ball bearings and parts—
Metric type ball.
Metric type cylindrical roller.
Inch type taper roller.
Blowers and ventilating machinery and parts.
Bottle washing machinery and parts.
Bottle and bottle labelling machines and parts.
Brewers' machinery and parts.
Cannery machinery.
Cement machinery.
Chemical manufacturing equipment, plant, and spares, including chlorine plant and spares.
Cigarette making and other tobacco machinery and parts.
Concrete manufacturing machinery and spares.
Cotton ginning and delinting machinery and spares.
Cotton baling presses and parts.

Metals—Continued.
Industrial machinery, including power—Continued.
Flourmill and gristmill machinery, including grinding cylinders, grindstones and wheels.
Gas meter and parts.
Glass machinery and spares.
Ice-making equipment and parts.
Laundry and dry cleaning equipment and parts.
Leather working and tanning machinery and spares.
Match making machinery.
Measuring appliances, including water meters, steam, revolution counters, etc.
Meat and other grinding and slicing machines.
Millstones, artificial.
Packaging, bagging, and labelling machinery except for packaging or labelling of fruits or vegetables packed in hermetically sealed containers and sterilizers by use of heat.
Paint-spraying equipment and parts.
Retreading machinery.
Rice mill machinery and parts.
Sugar mill machinery and parts, including pressure and vacuum gauges, water level indicators, etc.
Marine machinery—
Internal combustion engines, Diesel and semi-Diesel, marine and spares.
Internal combustion engines and spares, marine, carburetor type.
Boat propellors and blades.
Melting and casting equipment—
Blast cleaning and tumbling machines and parts.
Furnaces, electrical heat treating, and parts.
Molding and vibrating machines and parts.
Metal-working machinery—
Chucks.
Bending machines.
Boring machines and bullards.
Broaching machines.
Cutting-off machines (circular heavy)
Drilling machines, power.
File recutting machines.
Forging machines.
Gear-cutting machines.
Grinding machines.
Hammers, power.
Honing machines.
Keyseating machines.
Lapping machines.
Lathes.
Metal-cutting hand-saw blades.
Milling machines.
Planing machines.
Polishing machines and buffing machines and spares.
Presses, mechanical and hydraulic and spares.
Riveting machines and spares.
Rolling mill and parts.
Saws, power and spares.
Shapers and spares.
Shearing machines and spares.
Slotters and spares.
Threading machines and spares.
Tools, metal-cutting, large and small, including cutters, dies, die heads, hobs, taps, broaches, and fixtures, etc.
Tools, portable, power-driven, and spares.
Tools, power-driven, n. e. s., and spares.
Wire-drawing and nail production plant and spares.
Mining, well, and pumping—
Centrifugal pumps.
Concentrating and smelting equipment and parts.
Deep well turbine pumps and spares.
Grinding mills, classifiers, and equipment and spares.
Hydraulic pumps and parts—piston type, pressure 100 lbs. per square inch or over.
Mine, industrial, and other freight cars, not over 10 tons capacity (including plantation railway and blast furnace cars) not mail line railway.

Metals—Continued.
Mining, well and pumping—Con.
Ore and rock crushing and sorting machinery and parts.
Pumps and parts, dredging.
Rock drills and spares.
Well-drilling apparatus and spare parts, including caisson.
Winches and spares.
Windmill pumps and spares.
Paper, printing and bookbinding machinery—
Bookbinding machine accessories and spares.
Paper converting machinery and spares.
Paper and pulp mill machinery and spares.
Printing machinery, maps for blueprints, etc.
Printing, publishing, and typesetting machinery and spares.
Plastic molding machines and presses and spares.
Felts and wire cloth for printing and paper machinery.
Power generating—
Condensers, heaters, accessories, and parts excluding tubes.
Engines—internal combustion, diesel, semidiesel, gasoline, kerosene, portable and stationary; and carburetor type and parts of marine diesel engines and tractors.
Oil burner, industrial.
Steam boilers, fire and water tube, and heating surface.
Steam engines, stationary except turbines and spares.
Steam specialties and parts, including injectors, gauges, safety valves, steam traps, and boiler-tube cleaners.
Turbines, mechanical drive, spares only.
Railway and tramway equipment—
Lifters and spares.
Railway car axles with wheels.
Railway car tires and locomotive wheels and tires.
Railway car wheels.
Railway electric motors.
Railway, locomotives, diesel or carburetor type, mining and industrial.
Railway locomotive axles fitted with wheels.
Railway track maintenance equipment.
Refrigeration—
Refrigeration equipment and parts, not over 1 ton capacity.
Refrigerating equipment and parts, household.
Refrigerating equipment, and parts industrial—including 1- to 10-ton and over 10-ton types.
Testing machines, tension, ductility, compression, etc., and spares.
Textile, sewing, and shoe machinery—
Knitting machines and spares.
Sewing machines, industrial.
Sewing machinery, industrial and other.
Shoe machinery—manufacturing and repairing machines and parts.
Parts not elsewhere specified, including pressure and vacuum gauges, water-level indicators, etc.
Trucks, automotive and spare parts.
Vegetable oil machinery and parts.
Welding and cutting equipment—
Torch sets, gas welding and spares (including machines and gas generators and fixture for use therewith, and spares).
Welding machinery equipment and parts, electric.
Welding electrodes (for brass and bronze).
Welding rods for iron and steel.
Woodworking machinery—
Planers, matches, jointers, and molders and spares.
Sawmill machinery and parts.
Veneer machinery and parts.
Woodworking machinery, other, and parts (tenon, mortice, drills, lathes, and sanders).
Woodworking band saw blades.

Metals—Continued.
- Miscellaneous supplies—
  - Abrasives, including cloth, paper, paste, and stones, and carborundum wheels and sheets.
  - Belting, leather.
  - Bolts and nuts, including black mild steel and roofing.
  - Chains, link and roller, WI fittings, and slings.
  - Gauge glass tubes.
  - Locks with keys.
  - Nails.
  - Screws, wood.
  - Woven wire mesh.
  - Pipes and pipe fittings—
    - Boiler tubes.
    - Cast iron pipe and fittings.
    - High pressure hydraulic pipe and fittings.
    - Malleable iron pipe fittings.
    - Miscellaneous fittings.
    - Pipe, all other iron and steel and riveted.
    - Red paint steam quality pipe.
    - Valves and taps.
    - Wrought iron or black gas.
    - Wrought iron pipe fittings.
  - Packings and jointings—
    - Klingerite (steam).
    - Rubber asbestos (water).
  - Steel wire ropes.
  - Tools, hand, all trades.

Miscellaneous Commodities:
- Alarm clocks.
- Blades for safety razors.
- Books and pamphlets.
- Calculating machines and parts.
- Carbon paper.
- Cash register parts.
- Centre saches.
- Cisterns, water.
- Cinematograph film synchronized with sound.
- Collar studs and cuff links.
- Corn mill grinders.
- Crown corks.
- Duplicating machines and parts.
- Duplicating stencils.
- Electric bulbs.
- Enamelware.
- Flatware and hollow ware.
- Fire extinguishers.
- Fire hose.
- Gramophone records, needles, and parts.
- Hand hair clippers.
- Hooks, eyes, and snap fasteners.
- Ink, printers, duplicating, and writing.
- Ironware, cast.
- Knitting needles, plastic type.
- Lamps, hurricane.
- Meat mincers.
- Lighter flints.
- Musical instruments and parts.
- Needles, sewing machine.
- Office supplies, n. e. s.
- Pencils, non-mechanical.
- Pen nibs.
- Pens, fountain.
- Photographic apparatus and accessories.
- Pocket knives.
- Photographic film.
- Photographic paper.
- Photographic plates.
- Photographic X-ray film.
- Pins, safety and drawing.
- Rimlocks.
- Rollers, composition.
- Safety razors, plastic.
- Scales and balances.
- Shoe laces.
- Sporting cartridges.
- Spectacle frames.
- Staples.
- Stoves, kerosene, including burners.
- Tape, measuring.
- Time recording devices.
- Toothbrushes.
- Toothpaste.
- Typewriters and parts.
- Typewriter ribbons.
- Thermos flasks.
- Thimbles.
- Umbrellas and fittings.
- Upholstering eyelets for tents.
- Wax, sealing.

New Books and Reports

★The following publications, added to the Department's research facilities, through the courtesy of the authors and publishers, are listed as a service to businessmen. *Please note:* The Department has no copies of private publications for distribution and cannot be responsible for their content. For private publications, write direct to the publishing agency given in each case.

Articles of Interest to Businessmen Appearing in the Department of State Bulletin October 15, 1944.

Copies of this publication, which is issued weekly by the Department of State, may be obtained from the Superintendent of Documents, Government Printing Office, Washington 25, D. C., for the price of 10 cents each; subscription price $2.75 a year. The October 15 issue contains these articles:

SHOULD WE HELP ITALY? ARTICLE BY DALLAS DORT.

EVOLUTION OF LOCAL GOVERNMENT IN ITALY: ARTICLE BY HOWARD MCGAW SMYTH.

FINANCIAL ARRANGEMENTS FOR ITALY: STATEMENT BY THE PRESIDENT.

PUBLIC AND PRIVATE FOREIGN TRADE: ADDRESS BY BERNARD S. HALEY.

CONCERNING CARTELS: ADDRESS BY CHARLES BUNN.

POST-WAR TRADE POLICY: ADDRESS BY WILLIAM A. FOWLER.

INTER-AMERICAN COFFEE AGREEMENT.

CANADIAN-NEW ZEALAND MUTUAL-AID AGREEMENT.

Other Publications

UNITED STATES EXPORTS OF DOMESTIC AND FOREIGN MERCHANDISE (INCLUDING LEND-LEASE EXPORTS) TO THE LATIN AMERICAN REPUBLICS: COMMODITY BY COUNTRY TOTALS, AUGUST 1943. U. S. Department of Commerce, Bureau of the Census. September 1944. Report No. FT 410. Price, 30 cents each section.

—SECTION CD AND CF, COMMODITY GROUP 6. 14 pp.

—SECTION DD AND DF, COMMODITY GROUP 7. 18 pp.

—SECTION ED AND EF, COMMODITY GROUP 8. 18 pp.

—SECTION FD AND FF, COMMODITY GROUP 9. 12 pp.

Available from: Bureau of the Census, Washington 25, D. C.

UNITED STATES GENERAL IMPORTS FROM THE LATIN AMERICAN REPUBLICS, EXCLUDING STRATEGIC, MILITARY, AND CRITICAL MATERIALS: COUNTRY BY COMMODITY TOTALS, JULY 1943. U. S. Department of Commerce, Bureau of the Census. August 1944. 25 pp. Report No. FT 120. Price, 30 cents.

Available from: Bureau of the Census, Washington 25, D. C.

UNITED STATES GENERAL IMPORTS FROM CANADA AND MEXICO, EXCLUDING STRATEGIC, MILITARY AND CRITICAL MATERIALS: COUNTRY BY COMMODITY TOTALS, FEBRUARY 1944. U. S. Department of Commerce, Bureau of the Census. September 1944. 19 pp. Report No. FT 121. Price, 30 cents.

Available from: Bureau of the Census, Washington 25, D. C.

COLOMBIA AND VENEZUELA: A FINANCIAL AND ECONOMIC REVIEW. The Chase National Bank, Foreign Department. 1944. 14 pp. A summary of financial and economic conditions in Colombia and Venezuela, for those engaged in Latin American trade.

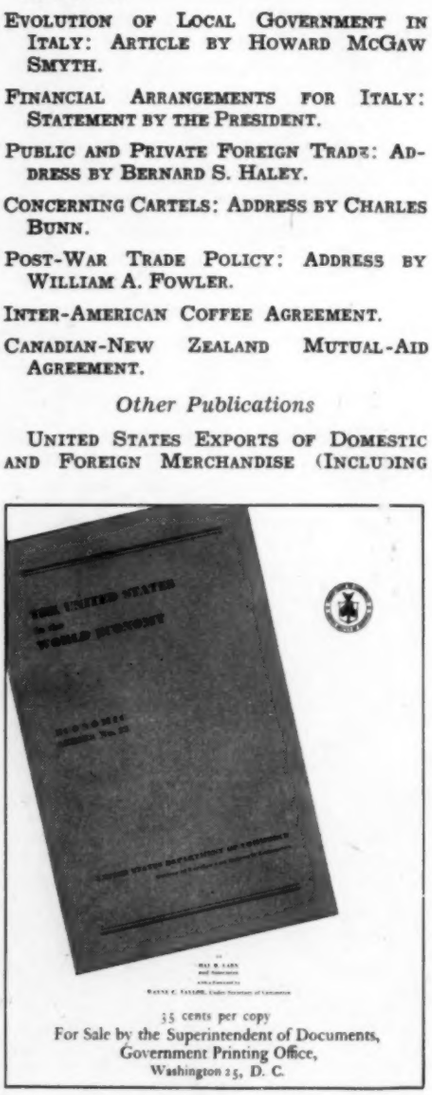
Available from: The Chase National Bank, Pine Street Corner of Nassau, New York 15, N. Y.

OUR SETTLEMENT WITH GERMANY. H. N. Brailsford. 1944. 160 pp. Price, $1.75. The author examines the problems that confront those who are concerned with the establishment of peace, and considers such questions as: What shall be done about reparations, frontiers, migrants and refugees, disarmament, German industries, reeducation? (Is a "soft-peace" book.)

Available from: The John Day Co., Inc., 2 West 45th Street, New York, N. Y.

THE ITALIANIZATION OF AFRICAN NATIVES. Roland R. DeMarco. 1943. 167 pp. Price, $2.35. A study of the Italian Government's program for education and nationalization of the natives in its colonies during the period 1890–1937. Includes discussion of the organization and purpose of this program, its operation, and problems and policies involved.

Available from: Bureau of Publications, Teachers College, Columbia University, 525 West 120th Street, New York 27, N. Y.



35 cents per copy
For Sale by the Superintendent of Documents,
Government Printing Office,
Washington 25, D. C.

Contributors' Column

Catherine C. Gartland ("Containers, Paper and Paperboard, in the American Republics").—Born in Washington, D. C. Educated at Holy Trinity Academy, and attended Department of Agriculture Graduate School. Received a degree in music (piano) from Georgetown Convent. While studying Chemistry, Miss Gartland won first prize for an essay entitled "The Relation of Chemistry to Agriculture," which was submitted in a contest sponsored by the Garvan Chemical Foundation of New York; the contest was open to chemical students of all schools in the District of Columbia. Employed at the National Rifle Association of America from 1933 to 1938. Entered the Economic Research Division, Bureau of Foreign and Domestic Commerce, 1939. Joined the Specialties Unit in 1942. She is author of several Confidential Industry Reports on "Containers" which were prepared in the Specialties Unit of this Bureau.

Donald F. Heatherington ("Sterling Balances and Britain's External Debt").—Born, Richmond, Vt. B. S. in Commerce from Washington and Lee University, Lexington, Va., 1937. M. A. from Yale University, 1939. Instructor in Economics and Business Administration. Rensselaer Polytechnic Institute, 1939–41. Entered Bureau of Foreign and Domestic Commerce in September 1942. Is now Economic Analyst in British Empire Unit.

Mary B. MacKrill ("Aviation in Uruguay").—See the August 12, 1944, issue of FOREIGN COMMERCE WEEKLY.

Mary E. Poole ("Alaska: New Source of Pulp and Paper Exports?").—See the September 30 issue of this magazine.

Containers—
Paper and Paperboard

(Continued from p. 13)

4,200,000, which constitutes a market for a large variety of products, limited, however, by the fact that the average annual per capita income is only approximately $100. Nevertheless, in 1938 the island consumed about $103,000,000 worth of manufactured products.

In this sugar-producing country, there are about seven firms which manufacture corrugated and cardboard containers. Reports indicate there are two mills manufacturing chipboard, although the container industry depends almost entirely on imported board.

The paper-container industry, which supplies a large part of the containers used in the country, produced $426,000 worth of goods in 1938 and gave employment to 280 workers. The United States, however, is a large exporter of these containers, particularly since the war, and in 1942 shipped to Cuba 64,374 pounds of heavy shipping paper sacks, 915,552 pounds of other paper bags, 438,726 pounds of heavy fiber shipping containers, and 117,711 pounds of other boxes and cartons. According to official United States trade statistics, paper and paperboard products are among the United States exports to Cuba which showed substantial gains in 1942.

A recent report from Habana discusses experiments involving the use of multiwall paper bags for Cuban raw sugar, in lieu of jute bags. Should these tests prove successful, the market for this type of paper bag would be tremendous, as the sugar industry is the backbone of the country's economy. Cuba's 1943 estimated sugar crop was approximately 3,225,000 Spanish long tons. Other consumers of bags are the tobacco and coffee industries, which are also important to the economy of Cuba but to a much smaller degree than the sugar industry.

Haiti

Haiti occupies one-third of the island of Hispaniola, the second largest of the Caribbean Islands, and has an estimated population of 3,000,000. About 95 percent of this population consists of Negroes, and of the remaining 5 percent about 2,000 are foreigners.

The manufacturing industry of Haiti is small. There are no pulp or paper mills, nor is there any manufacture of paper or paperboard containers. Heavy fiber shipping containers and heavy shipping paper sacks are not used extensively—in 1942, the United States shipped only 3,624 and 500 pounds, respectively. This probably is because Haiti's only important foreign markets have been for agricultural products, such as coffee, bananas, sugar, and cotton. Most of the Haitian manufactures are consumed domestically. During 1942, however, the United States exported 34,815 pounds of other paper bags and 15,394 pounds of other boxes and cartons.

Haiti's commercial policy is similar to that of other Latin American nations with export-import economies. Its tariff is largely a revenue measure, accounting for 80 percent of the Government's income; export tariffs are imposed on its principal outgoing products, and import duties are levied on practically all goods brought in from abroad.

The post-war economy of Haiti probably will remain alined to its present agricultural position. Such industrialization as exists is made up of the manufacture of various articles for the domestic market. This can be expected to be maintained at least at present levels and possibly expanded. These requirements, even prior to the war, had been furnished almost entirely by domestic production, and there is no reason to believe that foreign merchandise will displace the domestic product in the post-war period.

Dominican Republic

The Dominican Republic comprises the eastern two-thirds of the Island of Hispaniola and, in 1939, had an estimated population of 1,654,400. In many ways it is similar to Haiti, its sister country, in that industrial development has been small and the principal manufacturing industries are those associated with the processing of agricultural products.

There is one factory in the Republic making paperboard boxes, although it is totally dependent on imported board. In 1942, the Dominican Republic received from the United States 158,393 pounds of heavy shipping paper sacks, 633,796 pounds of other paper bags, 10,328 pounds of heavy shipping containers, and 34,577 pounds of other boxes and cartons.

Whether, in the post-war era when larger supplies of raw materials are again available, there will be further expansion of container production will be determined by the returns from other domestic manufactures and the consequent need for adequate containers.

Colombia

In 1940 there were in Colombia about 20 establishments producing paper and paperboard products, and employing a total of 450 persons. Although there is one paper mill in the country, more than 98 percent of the raw materials consumed in 1940 were imported.

Kraft paper bags are being used almost exclusively as containers for the sugar and cement production of Colombia, some of which is now being exported to Panama. There is not sufficient fique[2] production to supply these bags; therefore, some multiwall paper bags are also required.

In 1942 the United States shipped to Colombia 1,713,470 pounds of heavy shipping paper sacks, 140,998 pounds of other paper bags, 10,564 pounds of heavy fiber shipping containers, and 29,945 pounds of other boxes and cartons.

[2] Fique is a fiber-producing plant grown chiefly in Colombia.

A report dated May 1944 officially announced the organization of a company known as Carton de Colombia, S. A. Although local establishments were already producing some containers, this new company marks the beginning of an actual paper industry in Colombia. It has been reported that 50 percent of the capital for the new company was provided by a United States company and 50 percent by a group of prominent Colombian firms. The plans, now under way, are to manufacture all types of cardboard boxes and heavy shipping cases. The capital already invested appears to be ample for establishing the initial operations of the company, but will be increased later to cover costs of imported machinery, factories, warehouses, and a production and sales organization. It is hoped these factories will help provide modern hygienic packaging of goods, which has been a problem, owing to the scarcity of imported paper products. This undertaking promises to be of paramount importance for the post-war economy of Colombia.

Venezuela

Venezuela is in a very early stage of industrialization. Although its manufacturing establishments produce a wide range of products, practically all of them are light consumer's goods. From the standpoint of international trade, the production of petroleum is the most important economic activity in the country.

According to the latest available information, there are two paper mills in the country. No wood pulp is manufactured in Venezuela; the two paper mills depend entirely upon imports of wood pulp, waste paper, bamboo, and rags. The greater part of this pulp is utilized in the manufacture of sacks for cement. These bags are light consumers' goods. From the Venezuelan Government has been encouraging the production of cement. Local production, however, is not adequate, and in 1942 the United States exported to Venezuela 263,548 pounds of heavy shipping paper sacks, as well as 156,136 pounds of other paper bags, and 132,226 pounds of heavy fiber shipping containers.

Paper-box manufacture is not highly developed, although five firms are producers on a small scale. The 1942 United States exports of other boxes and cartons were negligible.

Brazil

Brazil, the fourth largest country in the world, occupies nearly half of the entire South American Continent. The population in 1942 was estimated at 43,650,000, an increase of more than 40 percent in 22 years.

Although it is not primarily an industrial country, Brazil's manufacturing industries, some of which began several decades ago, are more highly developed than those of any other Latin American country, except perhaps Argentina.

Between 1929 and 1941 the output of the Brazilian paper industry increased about four times—from 32,970 tons to 128,771 tons. Almost all types of paper

Official OWI Photo

are now manufactured in the country, except fine specialty papers. Packaging and wrapping paper, the most important products, accounted for half of the total output in 1942.

There are about 15 firms manufacturing paperboard and approximately 16 firms are producing paperboard converted products, including boxes and cartons. Reports indicate these firms have been able to supply most of the country's ordinary demand. In fact, in 1942 United States exports of boxes and cartons to Brazil were negligible. During the same year the United States exported only 8,876 pounds of heavy fiber shipping containers, and 14,292 pounds of other paper bags, but there were no exports of heavy shipping paper sacks.

A recent report says there are 25 paper-bag factories in São Paulo, the largest of which manufactures heavy-duty bags only. From 80 to 85 percent of their production is utilized for cement, and the remainder is used for lime, sand, and charcoal.

The second largest manufacturer specializes in printed glassine bags for such products as coffee and macaroni. This factory has 15 machines for making paper bags, and it estimates its total production at approximately 2,000,000 bags per month.

The remaining factories have from one to five bag-making machines. No exact production figures are obtainable, but it is estimated that total São Paulo production of all paper bags, other than heavy duty bags, is 50,000,000 per month. Of this output, many are consumed in Rio de Janeiro and other parts of the country, despite the fact that bags are manufactured in Rio de Janeiro.

Brazil is a good market for paper bags, and it is believed that the demand will continue to increase as the consuming public is becoming accustomed to and demanding better "packaging appeal."

Argentina

Argentina, like Brazil, represents a good market for paper and paperboard containers, most of which are manufactured locally. In recent years the trend in paperboard production has been upward, and available information indicates there are about 17 paper mills producing this type of board. The industry group of manufacturers of paper, paperboard, and their byproducts, which occupies a very important place in the Argentine industrial picture, imported 45 percent of its raw material needs in 1939.

Cardboard boxes and corrugated cardboard packing cases are manufactured locally in large quantities and, because of high duties, importations are small. In 1942 there were no United States exports to Argentina of paper or paperboard containers—with the exception of paper bags, which amounted to only 6,498 pounds. Normal needs for such containers have grown with the expansion of Argentine industry. In addition to the expanded need resulting from greater industrial activity, paper and paperboard containers are being used as replacements for other types of containers which are no longer in free supply; for example, multiwall bags are being used in lieu of burlap and jute bags. To aid the local industry, the Government has placed restrictions on exports of certain types of paper and paper products.

The following index numbers show the trend of employment and salaries paid in this industry during recent years:

Year	Index number—	
	Employment	Salaries paid
1937	100.0	100.0
1939	109.3	
1942	134.7	174.5
May 1943	138.2	193.4

The basic factors for industrial expansion of any country are population and purchasing power. In January 1944, Argentina's estimated population was 13,900,000. The living standards of the people are among the highest in the Americas, and Argentina's per capita production is the highest among the Latin American countries.

It is likely that the post-war markets for paper and paperboard containers in Argentina will be greater than in any other Latin American republic.

Uruguay

Uruguay in 1939 had five firms manufacturing cartons, cardboard containers, and corrugated boxes. The local concerns produce about 170 tons of cardboard per month for these containers, although they also depend to some extent on imports.

In 1941 the United States shipped to Uruguay 106,000 pounds of other boxboard, although exports of kraft container board were negligible. In the same year the United States exported 394,000 pounds of other paperboard. As to converted products, however, United

States exports of fiber shipping containers were negligible in 1941, 1942, and 1943. In 1942 we shipped the small amount of 470 pounds of paper bags to Uruguay.

A recent report from Montevideo states, "The manufacture of cardboard and paper containers has undergone considerable expansion as a result of the increased demand for this type of container in substitution for metallic containers formerly employed." As is universally the case, however, the shortage of materials has been a limiting factor in the growth of the domestic industry.

Paraguay

Paraguay has no reported manufacturers of paper, paperboard, or their converted products. Paraguayan imports from the United States for the last several years, however, have been negligible. In 1940 the Republic's total needs were supplied by Argentina and Uruguay. There are no reports as to the situation in 1941 and 1942.

Ecuador

A few containers are produced in Ecuador from imported material. Figures on imports of container board into Ecuador are not available, although it is known that United States exports of kraft container board in 1942 were 20,000 pounds and other boxboard exports were 286,000 pounds. United States exports of heavy fiber shipping containers and other boxes and cartons were negligible during that year, but 302,857 pounds of heavy shipping paper sacks were shipped. This was the largest amount exported to any Latin American country except Colombia and Chile, and is probably accounted for by the fact that this type of container is now beng used in lieu of jute bags for shipping cocoa beans and coffee, as well as many other commodities. Cocoa is the most important single item of Ecuadoran export, and coffee is its second most important export crop. The United States takes virtually all of Ecuador's coffee exports. Although Ecuador produces a few containers, as a matter of self-interest, as well as to avoid disruption of the Ecuadoran economy which is largely dependent upon coffee markets, the United States supplies most of the containers in which its purchases of coffee are shipped from Ecuador.

Peru

Peru, the third largest country in South America, had in 1940, an estimated population of 7,023,000.

Since 1931 substantial progress has been made in industrial development in Peru. Listed among the principal items manufactured are paper products. It has been reported that industries, such as those producing paper and cement have gradually increased the quality of their products to the point where they can compete with and even replace many formerly imported brands. Paper and related products are dependent upon imported raw materials, since there are no pulp mills in Peru. All imported pulp comes from the United States and Canada.

According to the latest available information (1939) there are approximately four firms which manufacture paperboard and about six companies which produce paperboard cartons and boxes. At present, Peruvian mills supply about 50 percent of the local needs for paperboard boxes, 70 percent of the paper bags needed, and 60 percent of the envelopes consumed. United States foreign-trade statistics show that in 1942 we exported to Peru 273,163 pounds of heavy shipping paper sacks, 87,148 pounds of other paper bags, and 50,444 pounds of heavy fiber shipping containers. Exports of other boxes and cartons were negligible.

It is in the expansion to meet domestic requirements that the influence of the war is most strikingly reflected in Peru's national economy. Containers are needed in larger quantities than ever before, and the paper industry has turned to the manufacture of new types in an effort to supply the local demand.

Chile

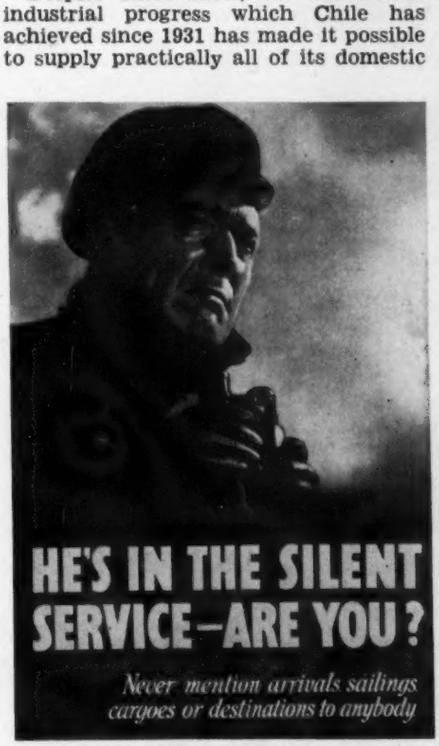
The total population of Chile in 1940 was approximately 5,023,000, but by reason of its low per capita income, its purchasing power is not so great as would be indicated by this figure. The fact that in all of Chile there are only 50,000 motor vehicles, 200,000 radios, and 84,000 telephone subscribers is evidence of the extent to which general purchasing power is restricted. Skilled workers seldom receive more than the equivalent of $1 (U. S. currency) per day, and the wages of ordinary laborers and agricultural workers are correspondingly less.

Despite these facts, the substantial industrial progress which Chile has achieved since 1931 has made it possible to supply practically all of its domestic needs for many commodities, among which is cardboard. There are six manufacturers of cardboard in Chile, and three manufacturers of cardboard boxes. In 1942 United States exports of heavy fiber shipping containers and other boxes and cartons were almost nil and, from all indications, Chile can, in a very large measure, take care of its own needs.

A new factory, the Fabrica de Fosforos de Carton, Santiago, reportedly has been established for the manufacture of paper matches and the concern also plans to produce cardboard boxes.

Information as to the paper-bag situation is limited, although there must be some demand, since in 1942 the United States exported 313,176 pounds of heavy shipping paper sacks and 39,643 pounds of other paper bags.

A recent report from Santiago stated that paper sacks were being used experimentally in certain shipments of Chilean nitrate but, at that time, results were not known. This substitution was attributed to the fact that the entire output of Chilean hemp bags had been absorbed by the agricultural industry.



Courtesy Office of War Information

Bolivia

Bolivia has one paper mill which manufactures some paperboard, according to the latest available information (1936). This firm also produces finished containers of paperboard.

There are, however, no concrete data obtainable as to paper and paperboard-container demand in Bolivia, although in 1942 the United States exported to that country 19,463 pounds of heavy fiber shipping containers, together with the small amount of 4,728 pounds of paper bags.

What Prospects for Central Europe's Lumber Industry?

In the immediate pre-war years, the export of whitewood from Central Europe—Austria, Czechoslovakia, Poland, and Rumania—had made substantial progress, states a European lumber journal. The sawmilling industry in that region was expanding rapidly, and prospects appeared favorable for further development.

Although the forests have probably been used extensively during the war, the mills and machinery probably still exist, and speedy resumption of sawmill operations may be possible after the war. The occupation of Austria and Czechoslovakia was swift and destruction in those countries lighter. The need for organizing exports as soon as possible may provide a stimulus to the revival of the timber and lumber exporting industry.

Distribution of rabbits for breeding purposes is to be increased in Hungary, according to the European press. Reports indicate that during the past year 600 rabbits and 100 model rabbit houses were placed at the disposal of farmers through the Hungarian Ministry of Agriculture.

SAVE FREEDOM OF WORSHIP

BUY WAR BONDS

U. S. GOVERNMENT PRINTING OFFICE: 1944